Social Credit as Seen by Sir Norman Angell (Page 25)

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The Nation's Business

Industrial Profits and the Community
A Big Profit No Evidence of Evil
Quebec, Manitoba In Election Fights
Looks Like Even Split
Has Duff Plan Ever Been Tried?
Fullerton's Failure

Industry and the Public

WHEN an investment of $500,000 grows to a present value of many millions of dollars after dividends of $15 millions have been paid it presents an impressive fact. But by itself it means little; it provides not even prima facie evidence of exploitation of consumers, workers, governments or any other class in the community. If a company makes no profits; if it goes bankrupt, that fact does not prove the reverse: that it was generous with its workers and the public.

It is possible for an industry, which starts with nothing but an idea and a few dollars, to grow to a very large size.

It can pay enormous annual dividends which will represent a very minor price for society to pay for the benefits the people as a whole may obtain from it.

It is also possible for a company to exact for a while an unconscionable profit from the public.

* * *

THE enormous financial success that has attended the operations of the Dominion Textile Company, as revealed in newspaper headlines last week, ought not in itself to be regarded as a crime. The important points are how the success was achieved and what the community as a whole got in return for the rewards that were reaped.

To discover these things may be one of the purposes of the enquiry into the textile industry now under way. We suspect not. It would be the point to know if newspapers generally have played up the evidence put in by the company to show its contribution to the country to the same degree that they played up Sir Herbert Holt's candid statement of the financial success. For instance, these facts too are interesting: that Dominion Textile last year paid over $850,000 in taxes or $2 to governments for every $3 that went to investors; that the company gives employment to many hundreds of people; that in the communities where it operates the number of people on relief has been smaller than in most areas.

* * *

THERE are many things people have to know about any company before they can estimate its net worth to the country. They have to know the degree to which tariffs or monopolies have enabled it to earn large profits; the stability of the employment it gives; the adequacy of the wages it pays; the manner in which it has—or has not—passed on to consumers the benefits of technological, cost-cutting improvements in manufacturing methods. Governmental enquiries sometimes bring out pertinent facts on such points. Some companies wisely go further and tell their story to the public to make sure that the significant as well as the sensational truths are understood.

* * *

NEVER before have business operations and the profits derived therefrom been so much under public examination as they are today. Every company has to be prepared to demonstrate to the public that it is worthy of the place it has won. If a company has not won its place worthily no amount of propaganda or defence on its part can enable it long to survive public distrust. And if a company has succeeded, through efficiency and service and through making a genuine contribution to its community, then equally it need not fear permanent injury from misrepresentation.

The public demands proof of the justice of every great industry's right to exist. The public in turn is willing, over the long term, to play the game fairly with those industries that play fair with it.

* * *

Bracken and Taschereau

TWO provincial governments are facing their electors. Both are Liberal in politics. Highly-placed Liberals at Ottawa, surveying the provincial scene from a national vantage point, have told The Financial Post that they are ready for victory in Manitoba and defeat in Quebec.

In Manitoba, Premier John Bracken goes to the country on a record very creditable during the depression period in Canada: the preservation of his province's credit by unpopular economies and unpopular new taxes. He has joined none of the simple panacea schools. The sillier the politicians of some other provinces have become the more reserved and sensible have been his own policies.

He faces a disunited group of opposition elements. The new Conservative leader, Eric Willis, a high

(Continued on page 2, col. 4)

Big Millers Doing Better This Season

But Real Prosperity Hinges on Greater Flour Export

SECURITIES ACTIVE

Canada's leading milling companies are generally believed to be experiencing somewhat better results than a year ago. For most of these companies which include International Milling, Lake of the Woods, Maple Leaf Milling, Ogilvie, St. Lawrence and Western Canada the fiscal year ends July 31.

Export and Domestic Up

Much, of course, will depend on June and July business but for the ten months to May 31, exports of flour were slightly above the corresponding figure a year ago and domestic sales, in keeping with general business conditions are known to have improved. This latter improvement will particularly apply to those companies that have baking subsidiaries with their own retail wagon routes.

Much Stock Activity

Since the beginning of the year there has been much stock market activity. Western Canada preferred for instance ran up to a high of 65 from a low of 36 and is now selling at around 45. St. Lawrence, Lake of the Woods and Maple Leaf also fluctuated though not so widely. Undoubtedly because considerable Ogilvie income comes from large investments and because International business is steadied by big mill holdings in United States where totally different market conditions prevail, there was less activity in the securities of these two companies.

Generally speaking milling authorities do not seem to agree with stock market opinion in the recent ups and downs. Most of the companies mentioned absolutely depend on a large export of flour. While there was considerable improvement in such export up to December and then after a slump again in May, it is claimed that at no time was gain in volume sufficient to warrant some of the stock market advances. Millers do not argue that their securities are not worth present market levels but at least some of them state that if certain shares are only worth so much today then they were not worth any more three months ago and vice versa.

The recent activity has been explained by the fact that for a while a group of brokers may take a fancy to a certain group of securities. Again in the case of such firms as Western Canada which has only 135,000 common and slightly over 24,000 preferred shares outstanding, stock is understood to be very closely held and very little turnover might cause considerable fluctuation.

Depend On Export

Not until the export picture clears, The Financial Post is reliably informed, will there be any real justification for sharp advances in leading milling securities. Back in the heyday of 1929 prosperity Canada's export of flour reached a peak of over 11 million barrels. Of this less than 3.5 millions went to Great Britain and the remainder largely to continental Europe. Today exports have shrunk to well under 5 million barrels with still slightly over 3 million going to Great Britain. Whereas formerly the trade was in all grades, low and high alike, now it is largely confined to the highest grade.

European Expansion

Continental European mills have developed at Canada's expense and a rejuvenated British milling industry is becoming increasingly competitive with Canada in Scandinavian countries, Newfoundland and the West Indies have also been a factor. Due to the Ottawa agreements whereby Canada gained a preference in the British market the American export of around a million barrels per year has been practically cut off.

Need 2 Million More Export

Canadian mills have little immediate hope of doubling present overseas trade. However, as a result of the economies made during the most trying period the milling industry in this country has ever experienced, they claim that such would not be necessary. Another 2 million barrels added to the present export trade, it is estimated, should put them all back on a really profitable basis again.

But in the meantime there has been considerable routine improvement. Canadian mills are again buying their wheat on a parity with the rest of the world. Their subsidiary baking companies and in any case their baking customers are showing slightly improved business. And finally overhead has been reduced drastically.

English Electric Co. To Erect Lamp Plant

In furtherance of its policy of diversification of production, English Electric Co. of Canada Ltd. has entered into an arrangement with Crompton-Parkinson, of London, Eng., to manufacture and sell the well-known Crompton lamps in Canada.

Plans of the two companies call for the erection of a factory in Canada to manufacture 10 million lamps yearly, according to an official announcement. The location of the factory has not yet been decided.

G. D. Finlayson Levels Startling Accusations At National Life Head

Use of Policyholders' Funds for Retaining Control of Company Charged by Federal Superintendent

A bitter, biting controversy between A. H. Beaton, president and managing director of National Life Assurance Co. and president of the Canadian Life Officers Association and G. D. Finlayson, federal superintendent of insurance is thrown wide open this week with publication in the federal insurance abstract of a series of letters which have passed between these two officials in recent months.

The letters reveal far-reaching criticisms by the federal superintendent of the manner in which certain items have been handled in the annual reports of the National Life and they level serious accusations against officials of that company. They indicate a sharp challenge by Mr. Beaton to the Dominion government official's contentions. When The Financial Post tried to reach Mr. Beaton in Toronto this week, his office reported him to be in England.

$20,500 Payment in Dispute

Major point of controversy is a payment of $20,500 to the "president, vice-president and managing director" of National Life and which, according to Mr. Finlayson, has been charged in the company's books to "contingencies, expenses and necessary disbursements."

In a letter dated March 28, 1936, Mr. Finlayson makes the following statement:

"In the absence of definite information I am going to submit to you for confirmation what I have reason to believe is the purpose of the payment namely to enable the officers receiving it to pay interest on or repay principal of bank loans which they have received on the security of the company's stock acquired by them following the litigation a few years ago over certain shares in an estate under administration.

"We suggested this in our correspondence with your company a few years ago regarding a similar item but so far as I know it has never been confirmed by your company nor is it set forth in the minutes of the board meetings. If it is so recorded will you kindly let me have a copy of a resolution of the board. If not will you confirm the assumption I have made.

"If my assumption is correct, I think the question arises why policyholders' funds should continue to be used for the purpose of enabling certain shareholders to retain control of the company's shares especially if to that control is to be attributed the expense ratio and surplus position set forth in my letter of Feb. 8. Since that letter was written we have received your company's annual statement for the year 1935 and find that the first year expense ratio for that year is still approximately 204 per cent."

Mr. Beaton's Reply

Previous to the sending of this letter, Mr. Beaton had written Mr. Finlayson in part as follows:

"Your inspectors have thumbed over the resolutions of our board of directors authorizing expenditures referred to many times. May I suggest with humility that the board of directors of this company is still functioning in complete compliance with the law of the land?

"To your knowledge, no company in Canada or elsewhere has a board of directors of higher probity or intelligence. To suggest as intimated in your correspondence that authorized expenditures by the board might have been improper, is offensive and is resented as was expressed at a meeting of our board a few days ago by every member present.

"I have no intention of detailing items of expenditures and I had hoped that the reputation not only of the company but of the personnel of the board was such that idle quibbles would have been unnecessary.

"Your intimation that you propose to extend in the blue book the semi-personal correspondence which has taken place between you and me is to my mind the offspring of a perverted mind. Your sending a letter to the members of our board is, of course, offensive in the extreme and could be actuated by nothing but a determination to be mischievous."

Capital Impairment

Another matter drawn attention to in the correspondence is an alleged impairment of capital and

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Quebec Upset Serious Check Big Projects

Many Interests Affected by Failure to Vote on Legislation

BUSINESS CONCERNED

From Our Own Correspondent

MONTREAL. — Collapse of the Taschereau Government and consequent dissolution of the Quebec legislature has brought in its wake a considerable amount of confusion in municipal, business and financial circles.

Except for the Old Age Pension and one or two other pieces of social legislation, upon which both the government and opposition agreed, the legislature failed to take action on a number of important bills.

Efforts of the Canadian Pacific Railway to secure approval of a bill covering construction of a new line in the northwestern Quebec mineral field, have gone for naught. While the bill passed the committee stage, it was never voted upon by the Assembly.

St. Lambert Hard Hit

The City of St. Lambert has gone into bankruptcy through failure of the legislature to pass Bill 17 which was drawn up to cover the reorganization plan approved by the bondholders. Aldermen have voted to put the financial affairs of the municipality under the aegis of the Quebec Municipal Commission.

The City of Montreal sought a number of changes in its charter to provide for additional spending, more taxes, etc., but as nothing was done, the city will have to get along with the powers it already possesses—at least until the new legislature convenes next October.

It is possible now that the plans for Price Bros. & Co., will be held up.

Of more importance, however, is what effect the government's overthrow will have on Pacona, which owns practically all of Price Bros. outstanding bonds. Those sponsoring the company plan would have considerable difficulty in effecting a reorganization without the support of Pacona. The bonds could be called in at considerable expense and opposition thus removed, but a compromise seems to be favored.

So far Pacona, representing Aluminium and Lehman Bros., has not

(Continued on page 2, col. 3)

Ontario Treasury Gets Millions As Result of Campaign Against Illegal Succession Duty Evasion

By C. W. STOLLERY

Ontario's treasury has been "defrauded" of $30 to $50 millions of succession duties in recent years as a result of under-valuation of estates.

This is one of the startling recent statements of Premier Mitchell F. Hepburn in connection with the treasury drive now under way to collect estate duties, a campaign that has uncovered fabulous revenues for the province and disclosed a series of illegal attempts to evade estate taxes.

As an illustration, it is understood that from six of the estates that have been re-opened by the treasury for investigation nearly $4 millions in additional succession duties were collected.

Or the proof can be found in other figures. Already the government is well on the way to $10 millions in collections from estates that slipped through the treasury in previous years. In only 11 months of its last fiscal year the province collected more in succession duties than in any previous full year. For April and May, 1936, collections were three times as high as in the same two months of 1935.

Two Lines of Pursuit

Two lines of pursuit are being followed by the treasury in its campaign: First, redemptions of the few remaining duty-free bonds; second, continuation of investigations into estates that have gone through the department in the past.

The re-opening of one estate alone brought the province additional duties of over $1½ million. In this case, government officials found under-valuation or omission of assets at the time of the original settlement. Additional duty of close to $1 million was claimed. Addition of 100 per cent penalty for non-disclosure brought the total over $1½ million.

When confronted with this claim, it is understood that executors as much as told the province to whistle for it. The government retorted that it could and would put the executors in jail. They paid.

This was the case in which it was necessary to carry the bonds sent up as collateral surety for a later cash payment to the Ontario legislative buildings in an armored car. When the securities were stacked on treasury desks they were piled like cordwood.

"Crime Doesn't Pay"

In the case of another estate that was re-opened recently, the treasury showed that $400,000 of assets had been concealed at the time of probate. Had the duty been paid on the concealed assets at the proper time, the additional tax would have been only about $30,000.

When the concealment was uncovered, the province claimed penalties as well as the unpaid duty on the $400,000. The total claim, which was paid to the government, was over $400,000, or more than the entire amount that had been concealed!

Alleged Nuisances

Remarkably little complaint has been made in public about the campaign of the treasury for more succession duties. In private, however, there are numerous allegations that the government is making itself a nuisance.

A diamond stickpin which had been in one family for many years is said to have been valued and treated as a bequest in one instance.

In another case a man had taken his daughter on a world cruise a few years ago and had paid all expenses. It is said that the government claimed this was a bequest.

Absurdity seems to rise to the height of nonsense on stilts in another claim attributed to the government. In this case a married daughter had lived with her father some time and it is said that treasury officers claimed she should have paid for her bed and board and that the free lodging was therefore a gift and liable for succession duty.

Shocking Novelty

Cases of this kind would not produce much revenue for the government, of course. Perhaps they originate with disgruntled persons who have been caught in large evasions. It may be a nuisance, for instance, for beneficiaries to have to make sworn statements to the government listing any gifts made to them by the decedent in his lifetime. Yet the enormous recoveries that have been effected for the treasury appear to warrant the closest scrutiny of estates.

Another situation that has just been uncovered by investigators concerns an estate that has passed from grandfather to son, to grandson, at what is said to be about only one-quarter of the real value. The grandson, who will still have $3 millions or so left on which to live in leisure in Toronto, will have to settle for claims on both estates for the full value.

Penalties Exacted

Rigid enforcement of penalties for concealment is something new in the succession duties administration in Ontario. It is being done with the same lack of fear or favor that is exhibited by the Dominion Income Tax department.

Formerly the penalty for non-disclosure of an estate's assets was additional duty on the concealed assets and a 25 per cent penalty on the total duty.

There appears to be no case on record in which former administrations exacted even the 25 per cent penalty!

The penalty rate for non-disclosure has now been raised to 100 per cent with the drastic effects in cases of concealment noted in the foregoing.

When one considers the "re-opening" of estates upon which succession duties have already been paid, there arise inevitably the questions: How? Aren't discharges from further liability given by the treasury?

The answer is that discharges are given to estates that have paid duties, but that such discharges are never protection against further taxation in cases where deceit or dishonesty has been used to avoid taxes.

Under no circumstances would the government re-open an estate unless there was evidence of fraud or dishonesty, according to officials. So the investigations of old estates are confined to those in which illegal evasions have been used.

Some Amendments Needed

The law itself, it must be admitted, could be amended so that levies will not be unduly harsh and inequitable.

"It is doubtful," says W. G. Watson, general manager Toronto Trusts Corp., in a recent article, "if the public of this province realize the extent to which the Succession Duty purports to tax them. How many citizens now living realize that on death the government may delve into one's financial affairs back to 1892 for the purpose of ascertaining what allowance or gifts he gave his wife, his children, or his church—what Christmas gifts he made? What birthday presents? And what wedding gifts to his children?

Tax Higher Than Stated?

"The government makes no distinction between gifts made out of one's income and gifts made out of capital.

"It is surely unsound to levy a capital tax on gifts made out of one's income.

"There should be a re-casting of the succession duty act for the purpose of clearly defining the tax on gifts inter vivos and removing the present injustices."

"Racket" in Bonds

Let us look at the treasury activities in regard to bonds that are free of succession duties in Ontario.

At March 31, 1935, there was a total of $4.6 millions of such bonds outstanding. It will be recalled that Mr. Hepburn, who is provincial treasurer as well as premier, stated in this year's budget address that some of these bonds had been up to

(Continued on page 27)

Canadian Celanese Plans To Produce New Products

From Our Own Correspondent

MONTREAL.—Canadian Celanese Ltd. is understood to have made plans for the manufacture of new products at its Drummondville plant, following successful development work carried out by the American Celanese Corp.

One item which the American company has been working on and which will be manufactured here is an artificial woollen fabric for suitings. In appearance, feel and wearing qualities, it is said to equal the best of the imported woollen goods and can be manufactured at a low figure.

Along these lines the plant at Drummondville will be enlarged to take care of additional looms and other machinery necessary to handle the new products. The necessary capital is being raised through the sale of 10,000 shares of preferred and an equal number of common shares to Nesbitt, Thomson and Co. Half of this block was taken up June 15; the balance to be acquired by September 1 next.

In so far as current operations are concerned, it is reported that the Drummondville plant is working at capacity with earnings equal to, if not better, than a year ago, when over $2.2 millions was available for depreciation, taxes, interest and dividends.

Bondholders Are Studying Alta. Finances

Division in Cabinet Over Interest Reduction

BY STAFF REPORTER

EDMONTON.—While the door is still open to further negotiations between bondholders and the government of Alberta with regard to the arbitrary reduction in debenture interest, hopes of obtaining even a compromise from the government are slim.

The major concern of bondholders at the present time is to avoid proclamation of the refunding act which would make the cut in interest permanent.

According to reliable sources here the Alberta cabinet is somewhat divided on the interest reduction question. It is known that at least three members of the cabinet—Hon. C. C. Ross, minister of lands and mines; Hon. C. Cockroft, provincial treasurer; and Hon. J. W. Hugill, attorney-general — have taken a rather cool attitude toward the interest reduction.

Premier William Aberhart, however, has been forced into the unorthodox financial measure by the cabinet group headed by Hon. W. A. Fallow, minister of railways and telephones and Hon. E. C. Manning, minister of trade and industry, and by party pressure.

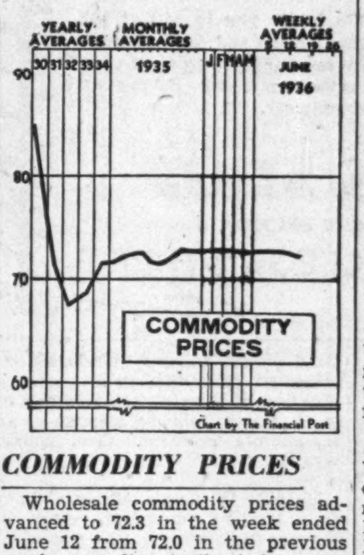
Aberhart Opposed to Radicals

Opposition forces think that Premier Aberhart is in opposition to the radical section of his party and that he is unlikely to adhere to social credit policies. Optimistically, therefore, they look for a split in the Social Credit ranks this year and a change of government.

Bondholders are rather indignant over the government's action, but are not without sympathy for its problems. Bond dealers in convention at Jasper Park are rather pessimistic over the situation, feeling that conditions may become even worse before improvement can be looked for.

Holders of Alberta bonds have been advised by the bondholders'

(Continued on page 2 col. 6)



COMMODITY PRICES

Wholesale commodity prices advanced to 72.3 in the week ended June 12 from 72.0 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

Highlights

Maritime Recovery

Improving industrial outlook stimulates revival of confidence along Canada's eastern seaboard. Special feature section. Pages 15 to 24

Premier Godbout

Quebec's first farmer-premier takes over reins of government on eve of major political battle. Page 13

Investment Trusts

Valuable hedges against risks of the next five years are provided for small investors, with attractive equities. Page 28

Mining Dividends

Payments by Canadian companies in 1936 may reach new all-time peak of $75 millions. Page 27

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Foreign Trade Jumps in May

A spectacular increase of 28 per cent in Canada's exports for May as compared with 1935 is shown in summary trade figures released this week from Ottawa. The gain over the preceding month is 44 per cent.

Major item was wheat exports which more than doubled to $21.7 millions compared with only $10 millions in the same month last year.

Imports soared 39 per cent over April and were 5 per cent greater than in May, 1935.

		— Change —	
		From prev. period	From prev. year
Monthly	May	%	%
Footwear prod., prs.	*2,065,587	— 2	+ 2
Cream. butter prod., lb.	25,158,396	+ 75	+ 8
Newsprint prod., tons	267,067	+ 3	+ 10
Wheat exp., bush.	27,316,983	+315	+127
Total exports	83,819,751	+ 44	+ 28
Total imports	59,012,669	+ 39	+ 8
Weekly			
Car loadings, No.	44,961	+ 11	+ 2
Cattle sales, No.	14,902	— 15	+ 27
Hog sales, No.	16,474	— 13	+ 11

* April.

Commons Not Tinkering Much With Election Act

From Our Own Correspondent

OTTAWA.—The House of Commons Committee on the Elections and Franchise Acts has definitely declined to adopt proportional representation and it is now evident that despite the pledges of three parties (Liberal, Conservative and C. C. F.) in this regard, no action will be taken by this parliament.

The decision against proportional representation and the alternative vote came after an exhaustive study of both systems and was dictated, largely, by the belief that they encourage formation of groups and make government by majority difficult.

The committee shelved the proposal to grant the franchise to Canadian-born Japanese in British Columbia and, also, the proposition to make failure to exercise the franchise punishable by fine.

Chief achievement of the committee is the simplification and speeding up of the cumbersome electoral machinery created last year. The printing of voters' lists is to be done locally and not at Ottawa, which will save at least 14 days time in holding an election and will be a boon to many printing establishments. Also the dual staffs, one for the preparation of the lists and the other for the taking of the vote have been largely eliminated, affecting a substantial saving to the treasury.

Canada Faces Fight to Keep U. K. Benefits

Britain Strong for Domestic Agriculture Protection

PACT IN MAKING

From Our Own Correspondent

OTTAWA. — With five cabinet ministers proceeding overseas before or immediately following the prorogation of parliament, the search for export markets will be renewed.

Chief importance attaches to the negotiation of a new Anglo-Canadian trade treaty to replace the 1932 pact which expires in August, 1937.

Four trade and tariff experts of the Dominion sailed for London last Friday and Hon. Charles A. Dunning Minister of Finance, will leave toward the end of the month to take charge of the Canadian end of the negotiations.

Separate Negotiations

As a matter of policy, it has been decided to negotiate renewals of the 1932 Imperial Economic Conference trade treaties separately with the United Kingdom and the Dominions. There will be no gathering of the British clan as was the case four years ago.

The ministers who will proceed overseas are: Mr. Dunning; Hon. W. D. Euler, minister of trade and commerce; Hon. J. G. Gardiner, minister of agriculture; Hon. C. G. Power, minister of pensions; and Hon. Ian Mackenzie, minister of National Defence. Mr. Power and Mr. Mackenzie will represent Canada at the unveiling of the Vimy Memorial; their trip has no economic significance.

Wheat and Trade Pacts

Mr. Gardiner and Mr. Euler will study the British wheat market at first hand and will be particularly interested in the proposal now current in the Old Country to enlarge by perhaps 50 million bushels, storage capacity for wheat.

Mr. Euler, in addition, will go to Berlin and Moscow to initiate trade negotiations with Germany and Russia.

The experts who are now on the water are Hector McKinnon, tariff expert of the finance department; L. D. Wildgress, chief of the trade intelligence branch of the Trade and Commerce department; Norman Robertson of the External Affairs branch; and H. D. Scully, commissioner of customs.

Battle in Sight

While no official statements have been issued, the Dominion government attaches supreme importance to the negotiations with the British government. It is believed that great difficulty will be met with in retaining the valuable concessions granted to Canadian agricultural products in 1932.

Free entry for wheat, against a 6 cent tariff per bushel on foreign wheats; the quota for bacon—these and other concessions are thought to have been marked down for termination by the British government. The government's job, as it is viewed at Ottawa, is to persuade the British to continue these 1932 concessions, making whatever sacrifices in tariff may be required to this end.

British Farmers First

Information coming to the government through official channels indicates very clearly that the movement in Britain to enlarge food production and to grant domestic agriculture increasingly high protection, is extremely strong. It is expected that the British will take the position from the outset of the negotiations that the Dominions must stand aside for British agriculture.

The British government will be ready, it is believed, to give a substantial preference on Empire products, but only after its domestic producers have been looked after. This is taken to mean that free entry into the British market is in extreme peril; that Britain intends to put a stiff tariff against Empire products and a still stiffer tariff against foreign products.

Woollens and Steel

To retain present advantages, the Canadian government, it is learned, is prepared to go very far. The British will be offered pretty nearly everything they could desire in the Canadian market. British desires, it is believed, will run strongly to woollens and iron and steel products. It is notable that while the Dunning budget gave concessions to British cottons, the woollen schedules and the iron and steel items were left substantially as before.

The purpose of the negotiations now to begin is to produce the formula of a new treaty, not the treaty itself. If the negotiations are successful, the basis of a new treaty will be arrived at and the document will be signed next May at an Imperial conference immediately after the coronation. The tariff changes involved will not be put through until next session.

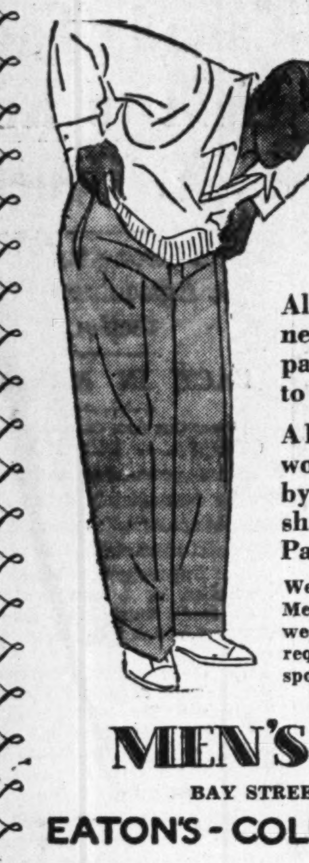
Lake of Woods Milling Bond Deal Is Denied

From Our Own Correspondent

MONTREAL.—Report that Lake of the Woods had sold or was about to sell $2 millions of short-term bonds to the Canadian Bank of Commerce and the Bank of Toronto, in order to reduce the company's floating indebtedness to less than $1 million, is officially denied.

MEN'S SHOP

Flannels are Featured



The Men's Shop features a distinctive selection of flannel trousers for the Summer season . . . attractive plain greys, tan and cream . . in pin stripes and checks . . both plain and pleated styles! A full range of sizes, from 30 to 44.

All-wool English flannels (plain shades and patterns). Pair $3.95 to $10.00.

All-wool English worsted flannels made by Barrons' (plain shades and patterns). Pair $8.50 to $10.00.

We invite you to call at the Men's Shop and see how well we are equipped to meet your requirements for Summer sportswear.

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

Obituary

Cyrus H. McCormick, for many years president of International Harvester Co. of Canada, chairman of the board of directors until his death at Lake Forest, Ill.

* * *

Hon. E. J. Davis, founder of the Davis Leather Co. Ltd., and former provincial secretary of Ontario, in his 86th year.

* * *

Brig.-Gen. J. Duff Stuart, president of Reward Mining Co., Cariboo Consolidated Mining Co., Cariboo Gold Fields Ltd., and Standard Consolidated Gold Mining Co., and a director of Pioneer Gold Mines of B. C. Death followed injuries in an automobile accident. Gen. Stuart was 70.

* * *

Melville W. Rossie, editor of London (Ont.) Advertiser, died in harness at London at the age of 63 years. He started with the Advertiser 43 years ago, later edited the Port Arthur Chronicle, spent a decade as one of the editors of the Toronto Globe and for the last decade has been editor-in-chief of the paper he began with.

INSURANCE FOR TRAVELLERS

Travelling makes several forms of Insurance most advisable. The Insurance of Baggage, Insurance against Accident, Insurance of Furs, Household Goods, etc., against Fire and Burglary.

Ask our agent for a policy covering these risks.

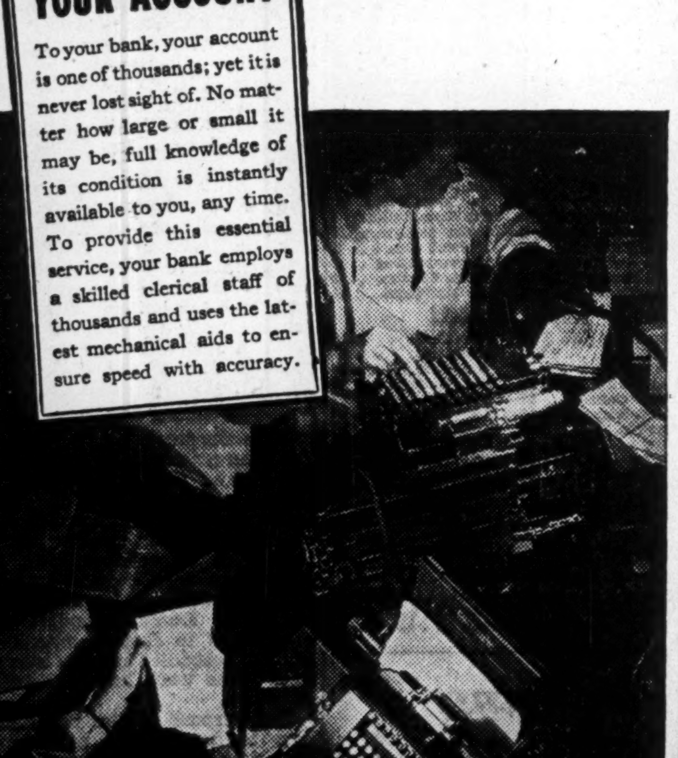
UNION INSURANCE SOCIETY OF CANTON, LIMITED

HEAD OFFICE FOR CANADA TORONTO

COLIN E. SWORD MANAGER FOR CANADA

YOUR ACCOUNT

To your bank, your account is one of thousands; yet it is never lost sight of. No matter how large or small it may be, full knowledge of its condition is instantly available to you, any time. To provide this essential service, your bank employs a skilled clerical staff of thousands and uses the latest mechanical aids to ensure speed with accuracy.



THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

Quebec Upset Serious Check Big Projects

(Continued from page 1)

evinced any great desire to give more than a nominal share of the equity to the preferred and common shareholders.

Beauharnois Interested

Affairs of Beauharnois also are involved indirectly in the government collapse. Last year the Taschereau Government set up the Quebec Electricity Commission, which among other things, plans to generate or buy electricity for distribution in rural sections. The apparent inability of Beauharnois to meet its obligations has led to widespread speculation as to whether or not the province will take over control.

If the Hon. T. D. Bouchard, an out-spoken advocate of public ownership and a member of the Taschereau goverment, comes back after the next election, he may press the new government to take an interest in Beauharnois affairs.

Such is almost sure to be the case if the opposition come into power. The A. L. N. group are more or less committed to a broader public ownership of utilities policy than the late government.

Business Shows Hesitancy

The breakdown of the Taschereau government also has led to general uneasiness among businessmen as to the political future. The evidence brought out before the public accounts committee was distinctly unfavorable to the old regime and it is regarded as a foregone conclusion that the opposition will be successful at the polls next fall.

The younger Liberals, allied with the Conservatives, have adopted a programme which is looked upon with some trepidation by established business. The support received at the last election, which came within an ace of overcoming the Taschereau group, was largely as a result of appealing to nationalistic instincts of the French Canadian voter.

Nationalism Shows Force

This nationalistic movement has grown in the meantime and may force a new government to adopt policies contrary to those in force for the last decade or two. However it is felt that if the opposition come into power, the changes will be less radical than anticipated as the province is traditionally conservative. The younger and more radical element could be satisfied without any major disruption to business.

Until the elections are over and the new government announces its policies, business will be inclined to move slowly. The same cautiousness will likely apply to financial matters, where politics sometimes play an important part.

G.D.Finlayson National Life, Acrimonious

(Continued from page 1)

the fact that the company in 1935 continued to pay dividends to shareholders in spite of the fact that "authorized" values were still being used in the company's statement. In his letter of March 28, Mr. Finlayson states:

"There is another point in connection with that statement (1935) which has been drawn to my attention. Of all Canadian companies paying dividends to its shareholders your company alone has used 'authorized' values in preparing its annual statement. You will recall the department's circular of June 1, 1932, in which companies were advised to have regard to the actual market value of their assets in relation to their liabilities before declaring dividends to shareholders.

"We have made a valuation of the company's securities on the basis of the market values issued by the department for the year 1935 and find that by using those values the company's paid-up capital is impaired to the extent of 50 per cent or $125,000 even after treating the general investment reserve as surplus. If you have the results of any similar valuation within the last year I shall be glad to have a summary of it in order that we may check it against ours.

"I shall be glad to have your assurance that no further dividends to shareholders will be paid until a summary of such a valuation has been filed with the department showing a surplus over liabilities and paid-up capital at or at least equal to the amount of the dividend proposed to be paid."

Can Meet All Liabilities

In a subsequent letter to Mr. Finlayson, Mr. Beaton drew attention to the improvement in the value of the company's securities during the first three months of the year. "The company has always been able to meet its liabilities out of current income," writes Mr. Beaton, "and will undoubtedly continue to be able to do so. It does not seem fair to apply reasons that might be applicable in the event of a winding-up of the company.

"If, however, the company were wound up at this or any other time it would find itself with a very substantial balance on hand after meeting every liability, having regard to the reserve which is held for the purpose of meeting future liabilities." In further correspondence on April 25, Mr. Beaton advised Mr. Finlayson that "no dividends have been declared since the receipt of your letter of March 28."

Other matters discussed by Mr. Finlayson in the correspondence include matters of advances to agents; a policy of $25,000, which, says Mr. Finlayson, "was never issued and apparently never applied for;" dividend liability and the company's expense ratio.

The Nation's Business

(Continued from page 1)

type of Parliamentarian, has just assumed his rôle and has had no time for organization.

* * *

IN QUEBEC there are new and turbulent currents in the once-quiet political stream. The old government suffers seriously in the retirement of Premier Taschereau and his able lieutenant, Hon. J. E. Perrault. Youth, with its zeal for a new social order, has risen in revolt not so much against economic orthodoxy as against what it regards as crimes of social exploitation committed in the name of economic orthodoxy.

There is no denying that the Church is a stabilizing force resisting meaningless change in Quebec. As a result, the Church has been accused of defending institutions and social ideas that are passé in this modern world. But the Papal Encyclical on the Church and the new social order has had a profound influence in the world. One of the most important and influential social documents of the depression years, it was at once a challenge to the world to modernize its economic thinking and a guide for the Church in its own activities. It is evident that many of the planks in the platform of the strong, young opposition parties in Quebec were inspired by the Encyclical, although they go far beyond it. They are framed in firebrand language and are not free from the excited enthusiasms of now movements.

Quebec is on the march. But it is not likely to go as far toward Socialism or Fascism as some of its younger men would like. There is too much solid love for the best of tradition in Quebec to permit revolutionary changes. The radical hotbloods of today in Quebec will be the venerable traditionalists restraining the youth of tomorrow.

* * *

Has Duff Plan Ever Been Tried?

IT IS quite obvious that the Duff plan of "co-operative competition" as a solution of Canada's railway problem has failed to work. Sir Edward Beatty is on record that it is an impractical plan. His view is that the only way you can make people "fight and kiss at the same time" is to have them get married, and in the case of the railways that means amalgamation. But there is no evidence that co-operation has really been sincerely tried by the two major systems and thus the Duff plan cannot yet be regarded as a proven non-success.

* * *

THE figures given to the Senate railway committee last week were most revealing. There are 5,000 miles of duplicating track in Canada that could be lifted under an amalgamation plan; 1,740 miles that could conceivably be dispensed with under co-operation. Of this amount, 1,100 miles have been studied by joint committees of the two roads; abandonment of 500 miles has been recommended; but only 10 miles have yet been abandoned by joint agreement.

In addition, the two lines have abandoned something under 300 miles where no joint agreement was necessary.

Other co-operative measures have been equally slow in coming to a head. Only one terminal merger has been effected; there has been some pooling of trains, most of it pretty well worked out before the Duff plan went into operation. The express and telegraph mergers have fallen through.

* * *

WHY has co-operation failed? Both railways point to the great technical difficulties of reaching agreement; to the problem of the displacement of labor; to community pressures. They are apparently not hopeful of going much further. The C.P.R.'s senior vice-president, D. C. Coleman, thinks $500,000 of joint savings might be added to the present $1.1 millions, a trifling sum compared with the financial problem involved.

Judge Fullerton, C.N.R. chairman, complained to the Senate committee that he could not get the co-operation of his staff in working out agreements. He did not explain how it was that a man, given dictatorial powers to run the C.N.R., allowed his junior officers and men to defeat him in the attainment of his objectives. The answer, of course, is that Judge Fullerton has turned out to be unsuited for the job assigned to him. A splendid judge, he is obviously no administrator and, under his régime, little progress has been made in solving the railway problem. He had to admit he had made no rate study; had not thought through the problem of looking after labor and staff as economies were made; had not been able to enforce his will in management. Such an admission of failure justifies the course the government has taken in insisting upon his resignation.

* * *

IT IS not so certain that the new plan of having the C.N.R. managed by a new board of directors, reporting to Parliament, will work any better. The Minister of Railways, Mr. Howe, is confident. Mr. Howe is a businessman, new to politics, and probably has greater faith now in his ability to keep the C.N.R. out of politics than he will have after another two or three years.

Yet the new plan is not hopeless. The new C.N.R. chief will be S. J. Hungerford, a capable operating officer. The other directors may be strong and wise in meeting administrative difficulties. If the Duff plan is given a real trial, it may accomplish much. If it is given such a trial and fails, then the country will have to seek a more drastic solution. Sir Edward Beatty's plan will be likely to have more enthusiastic support than it has now.

No one has even really tried economical operation of the Canadian National. Sir Henry Thornton was a big-eyed expansionist, a playboy among the vote-seeking politicians. Judge Fullerton has been a man vested with enormous powers but incapable of using them effectively. What will the new board be like and what will it be able to do? The country waits eagerly on the answers.

Dominion Motors Shows Net Loss

Financial Statement Will Be Ready Soon

Dominion Motors, Ltd., financial statement for the year ended March 31, 1936, will be going out soon to shareholders. Notice of the annual meeting will go with it.

It is expected a net loss will be shown. The consolidated deficit account for the preceding year showed a loss of $121,988, as compared with $691,391 in 1934. The bank loan, which was $541,300 on March 31, 1935, has been further reduced during the year which ended March 31.

Bond Sales

Treasury Bills

In the sale of $20 millions of Dominion of Canada treasury bills on June 12 a new record low cost was achieved for this type of financing, according to an announcement by the Bank of Canada. The average discount price of the accepted bids was $99.78912 and the average cost to the government 0.838 per cent. This compares with an average cost of 0.896 per cent for an issue of $20 millions sold on May 15 and 0.879 per cent, the previous low, which was recorded in a sale on April 15.

County of Dufferin

County of Dufferin, Ont., has sold $62,000 of 3½ per cent 15-installment debentures maturing 1936-1950 to J. L. Graham & Co. Ltd. at 102.537. This is equivalent to a cost to the county of 3.12 per cent. Bids were as follows:

	Bids
J. L. Graham & Co. Ltd.	102.537
A. E. Ames & Co.	102.27
Harrison & Co.	102.07
Griffis, Fairclough & Norsworthy	102.00
Dyment, Anderson & Co.	101.55
Fry & Co.	101.53
R. A. Daly & Co.	101.29
McTaggart, Hannaford, Birks & Gordon	101.27
C. H. Burgess & Co.	101.07
Dominion Securities Corp.	99.277

New Bank Notes Made Bilingual

Bank of Canada notes will henceforth be printed in both English and French, instead of English or French as at present.

Provision for the bilingual notes, effected by an amendment to the Bank of Canada Act this week, was stated by Premier King to be a gesture of goodwill to French-Canadians. Hitherto, some of the central bank notes have been printed entirely in one language and some in the other. Each note will now bear both.

B. A. Oil Will Explore Oil Tract in Wyoming

British American Oil Producing Co., subsidiary of British American Oil Co., has been granted a geophysical exploratory permit to study 19,040 acres of Indian lands on Ewalt structure in Fremont county of west-central Wyoming.

The method used is that the company can explore on every alternate 160 acres in the tract. That means that it will study the situation on half the block at a price of around $1 an acre. The other half will be put up for competitive bidding at the discretion of the secretary of the interior.

Public Utility Earnings

B. C. Power Corp.		
May:	1936 $	1935 $
Gross earnings	1,137,952	1,079,208
Operating expenses	812,966	786,627
Net earnings	324,986	292,581
11 Months ended May 31		
Gross earnings	12,767,869	11,963,523
Operating Expenses	8,723,680	8,077,150
Net earnings	4,044,189	3,886,373
Southern Canada Power		
May:	1936 $	1935 $
Gross earnings	178,907	171,757
Oper. expenses	73,114	69,018
Net earnings	105,793	102,739
Eight Months ended May 31		
Gross earnings	1,437,257	1,430,849
Oper. expenses	587,122	570,442
Net earnings	850,135	860,407

Ontario to Build 14 Model Homes

The Ontario Government proposes to undertake a housing programme of its own. In addition to following the example of the Dominion authorities in sponsoring an architectural competition for model modest homes designs, Premier Mitchell Hepburn has announced that his government will actually undertake the erection of 14 such homes at a cost of $2,500 and $3,000 apiece in the 7 suburban areas surrounding Toronto.

It is planned to erect these models on large, suitably planted lots. After construction they will be turned over to the municipalities. It is hoped that they will serve as a stimulant and example to further commercial construction. The initial project will cost $38,500 and its authorization followed a conference with Lieut.-Governor Dr. H. A. Bruce.

Bondholders Are Studying Alta. Finances

(Continued from page 1)

protective committee not to cash their coupons at the reduced rate pending the outcome of negotiations between the committee and the Alberta government. The committee feels that cashing of coupons would be interpreted as approval of the government's action in reducing interest rates.

Meanwhile, an investigation into the Alberta financial situation is to be undertaken by the bondholders' committee following which further negotiations will be carried on with the government. Appeals to have the government paid the full interest rate until the study is completed or to make the reduced interest payments "on account" failed.

Investigation of the provincial finances for the bondholders' committee is to be undertaken by Courtland Elliott, economist for A. E. Ames & Co., Toronto, and a member of the bondholders' committee; and J. A. Walker, statistician for the Dominion Securities Corp., Toronto. James C. Thompson, until recently the provincial auditor for Alberta and now associated with Clarkson, Gordon, Dilworth and Nash, Toronto auditors, is to act as technical adviser.

Condemn Scrip

Realizing that there will be considerable opposition to acceptance of its "prosperity bonds" or "certificates" as a medium of exchange, the Alberta government is apparently considering coercive measures.

In addressing a meeting at Gleichen, Alta., June 15, Hon. Lucien Maynard, minister without portfolio in the Aberhart government, stated that Alberta wholesalers who refuse to co-operate with the government in the handling of prosperity bonds may be publicly listed. Mr. Maynard urged the public not to patronize merchants and wholesalers who would not co-operate with the government.

Previous to Mr. Maynard's address the Edmonton Chamber of Commerce and the Alberta Branch of the Canadian Manufacturers' Association had informed the government that the "prosperity certificates could not be accepted by business as a medium of exchange." In a joint statement, the government's plan was condemned as "simply an intolerably heavy and discriminatory sales turnover tax on all classes of the community, amounting in the aggregate to 104 per cent in 2 years, and, as the province of Alberta has no power to make it legal tender, such scrip could not be accepted."

Issuance of the "prosperity certificates" has been authorized by order-in-council, and the government hopes to start distribution within a week or two.

Certificates will be issued in $1 and $5 denominations and a 1 per cent stamp will be affixed each week. They are redeemable in currency at face value at the end of two years. Prosperity certificates will be accepted by the government, it is reported, in payment of taxes and other obligations at certain dates yet to be announced.

Authorities contend that the certificates are not strictly legal tender, and are worthless outside Alberta. Within the province, the government has announced establishment of a provincial credit house to clear the certificates.

Fraser Cos.' Bond Interest Due July 1

From Our Own Correspondent

MONTREAL.—Initial interest payment on the new bonds of Fraser Cos. comes due July 1, when the half yearly interest will be paid on over $7.8 millions in the hands of the public.

Last April the company brought forward a plan for liquidating arrears of interest on the bonds and bank loans. Holders of the common stock and voting trust certificates were given the right to take up new stock. With the proceeds the company will pay off the arrears of interest on the bonds and bank loans. The new bonds, meanwhile, carry a fixed interest charge as from January 1 last, payable half-yearly in Canadian, American or sterling funds.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Kenogami, Que.	June	Bk. Can. Nationale	5%	1937-66	$45,000	99.08	5.12%
Dufferin, County of	June	J. L. Graham & Co.	3½%	15-ins.	62,000	102.337	3.12%
Dominion—							
Canada	June		...	Sept. 15	20,000,000	99.789	.838%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
L'Hopital De L'Enfant-Jesus	June	Hamel, Fugere & Co.	4%	Serial	$700,000	....	.....
			3½%	Serial	278,000	100	.....
Fabrique of St. James the Major in Montreal	June	Comptoir Nationale de Placement and Syndicate	4%	Serial	384,000	100	4%
Ymir Consol. Gold Mines	May	Victoria Securities	5%	......	40,000	....	.....

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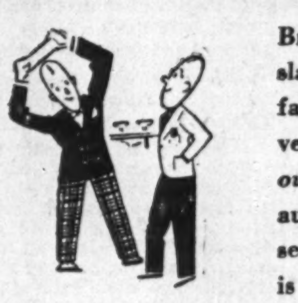


Brown jacket with grey slacks . . . blue jacket with fawn slacks . . . or vice-versa! *"Assemble your own ensemble"* the style authorities tell us this season—and SIMPSON'S is ready to help you.

We've a grand selection of sport jackets and slacks which will permit you to keep either within the bounds of smart conservatism or run your originality to the bold heights inspired by *"Esquire."*

Imported English jackets at $20 and $25, domestic tweed jackets at 12.50 and $15, flannel jackets at $15 and 16.50, grey flannels from 3.95 to 12.50, cream from $5 to 12.50, and many others. Drop in and look them over.

Second Floor

Simpson's

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

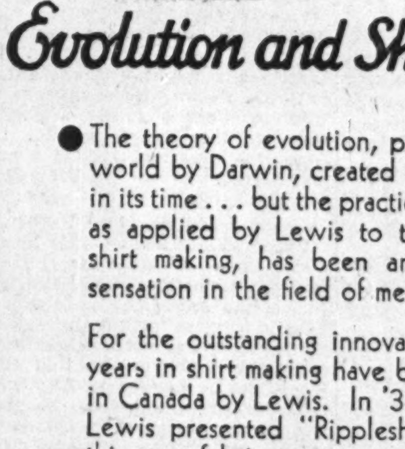
Netherlands—Seasonal factors produced some improvement in the business situation, although trade is below last year.

Poland — Political uncertainties adversely affected general economic situation.

Newfoundland—Improved outlook in fishery industry brightens general outlook.

Mexico — Wholesale and retail trade continued slightly on upward trend.

China—Merchandise imports increased 10 per cent during April compared with the previous month, and exports 14 per cent.



Lewis

Evolution and Shirt Making

- The theory of evolution, presented to the world by Darwin, created a vast sensation in its time . . . but the practice of evolution, as applied by Lewis to the business of shirt making, has been an even greater sensation in the field of men's wear.

For the outstanding innovations of recent years in shirt making have been pioneered in Canada by Lewis. In '33, for example, Lewis presented "Ripplesheen"—leading this new fabric to sensational success. In '34 it was "Flantwill"—another great discovery in fabrics. In '35 it was the "Ever-Neat"—with its smart no-wrinkle superfused collar. Widely imitated, but never equalled.

Lewis Leaders for 1936

"DERBY SQUARES"—The shirt sensation of the year in brilliant two-toned squares redolent of the race course. Your best bet is to buy a couple - - - - - $2.00

"EVER-NEAT"—Canada's Original Fused Collar shirt in a new blaze of novelty patterns—and now superfused. $2.00 and $2.50

"SNOOZERS"—The smartest slumber suit you've ever seen. Marvelously comfortable to sleep in—to lounge on the beach—or for lazy Sunday breakfasts. No buttons—no strings! $2.00 and $2.50

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EASTERN SHIRTS LIMITED
TRURO, N. S.

Trade Groups Show Concern On Sales Tax

Wide Difference in Business Practice Concerning 8 Per Cent Levy

MUCH BICKERING

By H. L. SOUTHALL

Managing Editor, Trade Newspaper Division, MacLean Publishing Co.

The increase in federal sales tax from 6 per cent to 8 per cent is causing unusual controversy in trade groups.

This impost, now at its highest rate in history, seems to have reached the point where not only does it cause the usual amount of dislocation to prices associated with previous advances in rate, but where it has become such a serious item that no longer can it be handily absorbed by manufacturers, wholesaler or retailer.

Many Conferences Held

Recent weeks have seen many conferences of trade groups to work out some plan of handling the tax without overburdening any particular branch of the machinery of distribution.

Some organizations have found relatively simple means of dealing with it. For instance one large co-operative drug wholesale house recently announced that in future it would dispense with its usual 2 per cent cash discount, to compensate for the increase in sales tax, thereby allowing it to leave its tax-included prices unchanged. At a meeting of the Ontario Retail Druggists' Association in Toronto last week, retailers expressed the view that manufacturers should increase the minimum suggested resale prices of their products by 2 per cent to offset the higher sales tax.

Fixed Price Items

Where articles carry a well known and more or less constant price to the public, the higher tax has created most difficulty. Competitive conditions are keen and manufacturers, wholesalers and retailers all object to absorbing the higher tax, claiming their margin is insufficient.

Some object on the ground that if business is constantly to absorb the sales tax irrespective of how high the rate is boosted, the taxing authorities will have little compunction about pushing it steadily higher.

Book Prices Rise

It has been impossible for some producers to avoid increases in prices which have become relatively well established in the public mind. For instance the increased tax has brought an increase in the prices of some books from the popular $2 to $2.25. This at first appears to be a greater increase than is justified but many products sell more readily at such a price than in odd figures.

Some manufacturers had already increased prices for other reasons and anticipated the increase in sales tax so that they are able to absorb the increase without altering prices. In the paint and varnish business most manufacturers, who generally sell on a tax included basis, are continuing in that manner, through one of the leading firms while absorbing the former 6 per cent sales tax is adding the extra 2 per cent separately on its invoices to the trade—thus creating for perhaps the first time in the history of the sales tax, a combination treatment of part-absorbed, part shown separately. The leading makers of paint and varnish are predicting an increase in prices of house paint within the next week or two to compensate for higher material costs and the increased sales tax.

Sales Versus Turnover

The consensus of opinion among the retail trades is that the sales tax is more desirable than the turnover tax—despite the arguments advanced by some retail bodies that a tax which can be separately shown in the transaction with the public over the retail counter is a much more vivid reminder that taxes are being charged. The fear at the moment is that if the provinces are to continue to depend upon the federal government for financial support without having their taxing powers widened, the Dominion will shortly boost the sales tax rate higher. A rate of 10 per cent is already anticipated in some quarters.

Hence the strenuous objection being raised by manufacturers, wholesalers and retailers to a continuance of the practice of absorbing the tax in transactions between themselves.

The tendency of the system of manufacturers and wholesalers whereby the sales tax is shown separately on their invoices instead of being buried in the price, is to pass to the retailer the responsibility for compensating himself. He is on the horns of a dilemma because he has so many 10, 15 and 25 cent items on which the price cannot conveniently be boosted to an odd amount, and so many other articles on which the manufacturer has established a popular resale price, which he is reluctant to alter.

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PARIS, ONT.

PEN ANGLE
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PENMANS
KNIT-GOODS

Governor Landon

No Orator is Republican Presidential Aspirant but "Political Natural"

Canadians will grasp better the big reason why Governor Alfred M. Landon of Kansas was the unanimous choice for the presidential candidate at the Cleveland convention of the Republican party if they remember that he was elected Governor of Kansas in 1932 when there was a landslide to Roosevelt and it was difficult for Republicans to find anywhere over their vast country another incident to cheer them.

They will understand his appeal being greater than Hoover's or Borah's or Knox's even more when they hear that in the last several years of monumental extravagance he is popularly credited with balancing the budget of Kansas. He did it by cutting expenses, not by raising taxes. In fact, taxes were lowered. What a beautiful contrast to the huge Federal budget deficits it will make in Republican campaign speeches!

Democrats claim Landon is not responsible for the Kansas Tax Limitation Act which restricts local taxing bodies to a maximum levy for any one purpose and to a maximum total, nor for the budget law requiring local governments to publish their budgets in advance and hold public hearings. He is responsible, however, for the Cash Basis Law which limits every municipality to pay-as-you-go spending. He administered the other laws to the letter.

Spreads the Credit

The Democrats ask as well where Landon budget balancing would have been if the Federal budget had balanced since 1933, thus depriving drought-ridden, dusty and depression-stricken Kansas of the $400 millions of Federal money which poured in from such sources as RFC, HOLC, and FCA loans, AAA checks and relief.

But, nevertheless and notwithstanding, Republicans have a wonderful talking point in the fact that since 1929 Kansas property taxes have been reduced 32 per cent. The per capita cost of state and local government has been cut $19, or 26 per cent.

Governor Landon himself says the credit does not belong to any one political party or state administration but to thousands of local officials all over Kansas. Savings were not made, he adds, by skimping of necessary services or dodging new responsibilities of relief. Kansas financed 30.6 per cent of the relief burden from non-federal funds as compared with 10 states which spent less than 10 per cent of non-Federal funds.

Is No Orator

Landon is no orator. Even William Allen White, the noted Kansas editor and author, has to admit after 30 years acquaintance with Landon that he is "no rabble rouser." Says White: "His radio addresses reveal him for exactly what he is—a modest, hesitant, rather inarticulate man in his 40's, amazed and a bit frightened at the sudden click of the white spotlight that beats on him. He is not faking when he reveals that strange, embarrassed note in his radio voice. He is under a strain. It is all new to him. But he is standing up and taking it like a gentleman."

White says further that Landon is exceptionally independent of party strings, does his own thinking, is cautious, even shrewd but never cowardly. He is one of the few men White recalls who has both courage and judgment. White considers him "a terrible speaker," but says his oratorical gaucherie appeals to the crowd. It is an era of orators and the crowd prefers Landon's common sense and his calm, sane view of things. They even listen to him read a speech.

Alfred Landon was born September 9, 1887, at the home of his grandparents in West Middlesex, Pennsylvania. He grew up in Marietta, Ohio, broke his shoulder in a football game but it did not handicap him in outdoor employments later. He went to Kansas for his university career and that is the state which has had him ever since. Both he and his father have achieved a real success as independent oil operators in that state. He still owns many producing oil wells.

A Political Natural

So successful as a politician that one observer called him "a political natural" Governor Landon still believes in a civil service made up of "trained, trustworthy and capable employees." His great successes are made in personal contacts. He never hands out cigars but, as one man said, "Alf gets twice as many votes bumming cigarettes off people all over the state as any other man does giving away cigars to everybody he meets."

The Governor has been called "Foxy" Landon by his political opponents and he does not resent the epithet. He was called "Old Shoe" for several months because an admirer said he was "as easy as an old shoe." He did not like that and spruced up until the name was abandoned.

One day as he got off the train in a small town in Kansas a man called from a group sitting on a truck, "Here's the great Landon."

The tones were derisive. Landon ignored the derision and said, "My name is Landon all right. I take it you are going to vote for me."

"Every man here is going to vote against you," replied the other truculently.

"Oh no, don't do that," said Landon. "Don't vote against your opinion. Let's talk this thing over. Have one of you boys got a cigarette?"

And he got up on the truck and talked it over for 15 minutes "as easy as an old shoe." They say he turned the whole group in his favor.

Here are some excerpts from recent speeches which may indicate something of the political and economic faith with which he would tackle the duties of president if he were elected:

"There must be a revival of confidence in national credit, confidence in soundness of the dollar, confidence in the government at Washington."

"The political spoils system and the spoilsmen responsible for it must go in the interests of economy and efficiency."

Who Rocked the Treasury?

"The budget proposed for the next fiscal period by the nation's chief executive is the final grim proof of the financial vortex into which we are being driven. Its prediction of a deficit of 'only a billion' is delusive . . . The period will end with a greater deficit . . . Bookkeeping tricks may be used but the huge deficit will remain."

"The money actually reaching the unemployed and impoverished has not rocked the treasury. The rocking has been done by abysmal waste through changes of policy, maladministration and ruthless partisanship . . . Bureaucracy has eaten up too much of the funds intended for relief. We need desperately a cheaper, simpler and more responsible relief administration throughout the Union."

"There is much discussion whether reform of our social and economic system should go before recovery, or whether recovery should precede reform. My answer is that the greatest reform we could have is recovery."

The Primrose Path

"Inflation is a primrose path at the beginning but there is an inescapable pitfall at the end. The first whiff of inflation is pleasant. The consequences are as insidious as the drug habit. Most nations that have exposed themselves to the inflation habit have been unable to stop short of utter breakdown. The real victims have been the very ones the inflationary programme pretended to help."

"Finally, we must consider, not only 'Where is the money going?' but 'Where is it coming from?'"

GOVERNOR LANDON

Upper House In No Danger From Actions

Cabinet May Publicly Flay Senators — Secretly Pleased

From Our Own Correspondent

OTTAWA. — Fulminations in cabinet circles against the Conservative majority in the Upper House will not go further than protests, coupled with nebulous threats of senate reform.

In the closing weeks of the session, Rt. Hon. Arthur Meighen cut a considerable swath in the government's legislative programme and while, officially, Mr. Meighen's intervention will be castigated, privately, a majority of the cabinet could sincerely offer him a vote of thanks.

Have Aided Government

Actually, most ministers agree that Mr. Meighen and his following have saved the government from one major error and strengthened rather than weakened other government legislation.

The record to date is as follows:

The Senate killed one major bill —the loan council constitutional amendment — modified other measures in important particulars.

The civil service commission was given wider powers by the Senate with respect to the future centralized harbor commission administration and the reorganization and amalgamation of departments.

The railway bill, despite preliminary hostile manoeuvres by the Senate majority, escaped scatheless and the Senate, much against its better judgment, will approve the bill nationalizing the bank of Canada.

In addition to revisory work, the Senate maintained its initiative in the matter of public policy. The Senate small loans company enquiry will produce a model bill which Hon. C. A. Dunning will propose to parliament in 1937.

Ottawa Loans To Provinces $137 Millions

Interest on Relief Loans Reduced from 4 to 3 Per Cent

HOUSING ADVANCES

From Our Own Correspondent

OTTAWA.—Revealing the tangled muddle into which Dominion-provincial finance drifted in the years 1930-36, official information obtained from the finance department shows the grand total Dominion loans and guarantees to provinces as $137,431,000. It was to prevent the rapid deterioration of this situation—to sever Dominion from provincial credit—that the Dunning ill-fated loan council policy was designed. The severance has been achieved, even though the policy has failed, and it is common knowledge that the federal government does not regard the Alberta default as too high a price to pay.

Practically all of these loans and guarantees are to the four western provinces. The senior obligations are seed grain advances dating from 1908, amounting to $87,626 and owing by Saskatchewan. Next are loans under the 1918 housing scheme which now stand at $6,768,387. These loans bear interest at 5 per cent. The housing loans are as follows:

Housing Loans

	$
Prince Edward Island	31,500
Nova Scotia	682,000
New Brunswick	648,700
Quebec	2,609,700
Manitoba	1,095,000
British Columbia	1,701,500

Loans to Western Provinces

Then come the advances made during the past six years for public works, direct relief, agricultural relief, debt maturities, money to be loaned to municipalities, seed grain and seeding. These are as follows:

Relief Advances

	$
Manitoba	15,504,855
Saskatchewan	48,368,047
Alberta	25,081,000
British Columbia	27,508,789

Interest on the above advances has been at the rate of 4 per cent but is to be reduced to 3 per cent after July 1, the government has announced. In other words, the federal government is passing on to the provinces the benefits of its ability to borrow at a low cost. Where funds obtained from the federal government have been used to make loans to municipalities it is expected the saving will be passed on by the provincial governments. Recently Calgary applied to the Dominion government for a reduction in interest on its loans but was informed that the application should have been made to the provincial authorities. It will now be possible for the Alberta authorities to grant a reduction.

A surprising item is an overpayment to Alberta in 1932 of the federal subsidy by $468,750.

Guarantees comprise $626,533 to British Columbia and $5,874,037 to Manitoba. There is a further guarantee of $7,143,839 on account of the defunct Manitoba savings branches.

New Industries

Central Refiners Ltd., Brandon, Ont., is engaging in an extensive construction programme. (Brandon Sun).

Calcium Carbonate Plant to be erected near Tweed, Ont., on the south shore of Drag Lake. (Peterborough Examiner).

Dodds Paper Stock Co., Kitchener, Ont., has leased the old piano plant which has been vacant for a number of years. The concern collects, grades and bales waste paper to be sold direct to paper mills.

Animal Trap Co. of America, Lititz, Pa., and Niagara Falls, Ont.; has purchased from W. A. Gibbs & Son, Chester, Pa., the mouse, rat and game trap division of their business.

Chromium Smelting & Refining Corp., Sault Ste. Marie, Ont., will construct a new mill to cost approximately $20,000. (Canadian Machinery).

Safeway Stores, Ltd., Edmonton, will erect a new bakery building on 102 St. (Edmonton Journal.)

Green Grain Co., Lethbridge, Alta., is now producing puffed wheat, corn and rice to the amount of 500 pounds daily.

Empire Brass Mfg. Co. Ltd., Winnipeg, has taken over the plumbing stock of Pease Western Foundry Leg. and has arranged to distribute Pease warm air furnaces and air-conditioning equipment in Manitoba, Saskatchewan and Alberta. (Sanitary Engineer.)

* * *

The Toronto Industrial Commission announces that:

Flexible Shaft Co. Ltd. has purchased a large section of the former Willys-Overland plant on Weston Rd. The company specializes in the manufacture of electric food mixers and other household appliances, also lawn sprinklers, etc.

Albert Mfg. Co. of Can., Ltd., has been incorporated as the Canadian subsidiary of the Albert Mfg. Co. of Providence, R.I., manufacturers of jewellery, and is located at 249 Spadina Ave.

Wynola Corp. Ltd., has been incorporated to manufacture and distribute the products of the National Nu-Grape Co. of Atlanta, Georgia. Space has been leased at 64 Princess St.

United Drug Co., Ltd., has awarded the contract for construction of an addition to the office and factory at 68 Broadview Ave., to cost about $60,000.

* * *

Daily Commercial News notes that:

Hammond Mfg. Co., Guelph, Ont., has started work on a $5,000 plant for the manufacture of various radio supplies.

Canadian Kodak Co. Ltd., Mount Dennis, Ont., is erecting a $10,000 addition to the power house.

J. M. Schneider & Sons, Ltd., Kitchener, Ont., packagers, will build a $35,000 rendering plant.

Staunton's, Ltd., 944 Yonge St., Toronto, wallpaper manufacturers, will construct a plant in Leaside.

Standard Brands, Ltd., Montreal, proposes to erect a Chase and Sanborn coffee mill at the Lafleur Ave., Ville La Salle, plant.

Crane, Ltd., Montreal, has begun work on a $15,000 galvanizing shop at the manufacturing plant.

North American Elevators, Ltd., Montreal, is receiving revised tenders on general contract for construction of 1 million bushels, $250,000 addition to grain elevator on the waterfront at Sorel, Quebec.

General Motors of Can., Ltd., Hamilton, Ont., will add a showroom, office and garage to the offices on Bay and George Streets.

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Investment Trends

Canada Has Huge Stake In U. S. Recovery Trend

Investments of $1,006 Millions Influenced by Prospects for Return to Sound Monetary Practices and Abandonment of Washington Emergency Policies

Canada and Great Britain own nearly half the $5,035 millions of foreign investments in the United States which have risen from $4,270 millions a year ago.

Canadians alone hold $1,006 millions of U. S. investments. Great Britain owns $1,374 millions, or 20 and 27.3 per cent respectively.

Common stock holdings of Canadians represent a market value of $408 millions on the basis of figures at December 31, 1935, and these are the largest single group owned by any foreign investors, far exceeding those of France, the Netherlands, Switzerland, or other European and Latin American countries. Canada has $322 millions in direct investments, $66 millions in preferred stocks, $49 millions in bonds, and $161 millions in other unclassified investments.

The Canadian investment stake in the U. S. could be widely affected by extreme administrative policies at Washington or drastic revisions of existing U. S. legislation affecting business and industry, if these were to arise out of the impending presidential election.

The prospects however are otherwise. British commentators are among those who lean strongly to the view that President Roosevelt will be re-elected without major disturbance of the existing economic situation, unless in the form of gradual betterment. The outlook for U. S. business is too promising, it is held, to justify prolonged heaviness in the U. S. investment markets, strong as political influences may be.

It is this same improved position and outlook, according to "The Statist" of London that enhances President Roosevelt's chances of re-election, and it is held not improbable that U. S. business in its present trend can prove superior to political influences. The same opinion is expressed in Canadian investment quarters where it is believed that the now clearly indicated revival of business will accelerate a return to proved economic principles at Washington, rather than continuance and intensification of makeshift policies adopted as emergency measures in 1933.

Inflation

INFLATION meanwhile continues to disturb some Canadian holders of U. S. bonds, as a possibility arising out of the U. S. election.

The United States is the wealthiest country in the world and the most serious inflationary danger appears to be the possibility of loss of control over the budget deficit. Yet there is ample scope for credit expansion, even if the budget is not under control, and if an improvement in the budget position should take place the confidence generated by a balanced budget might in itself allow the expansion in credit to take effect.

In the absence of a scarcity of general commodities, however, it is possible that the direction of this inflationary situation arising out of further unbalanced budgets might be toward building, real estate and the stock markets.

* * *

Under-priced

UNLESS company officials are prepared to take their shareholders and the public fully into their confidence, they may have only themselves to blame if their securities remain at unduly depressed price levels.

Senior securities of many corporations were sharply depressed by conditions affecting their business or industry following 1929. In some cases the same conditions exist in greater or lesser degree, but without adequate and frequent information, the investment market finds it difficult to appraise changes which may be taking place for the better.

W. T. K. Collier, raising the question at the annual meeting of the Investment Dealers Association of Canada, believes that while it might be possible to recommend investment in such companies, the failure of company officials to provide full information otherwise necessitates extreme caution on the part of investors.

Says Mr. Collier, prominent Montreal investment dealer;

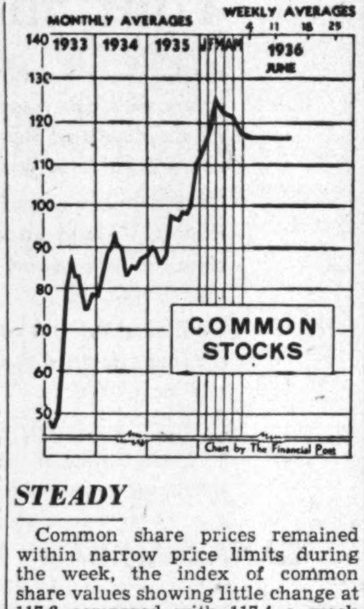
"The present record low yields have been accentuated by the difficulty in obtaining satisfactory information from those corporations whose securities are subnormally depressed and which might reasonably be recommended if information were available.

"We would very much like to see some arrangement instituted by which such situations could be fully reviewed. When interest or dividend yield is unusually low, more attention is necessarily paid to capital appreciation, with the result that investors who are not experienced may become speculators unknowingly."

* * *

Air Pockets

One reason for comparatively wide price swings in the recent inactivity is that "air pockets" appear to exist in some cases. This is what happens when speculation is restricted in any market. Investors alone do not make a satisfactory active market. Hence, when speculative orders are lacking, a stock may drop several points before encountering investment orders. The same, of course, is true of rising movements in some stocks.



STEADY

Common share prices remained within narrow price limits during the week, the index of common share values showing little change at 117.6 compared with 117.4 a week ago. The markets maintain a waiting attitude toward European developments.

Corp. Investors Profits Higher

Common Share Holdings Show Substantial Increase

Corporate Investors Ltd. will report a net profit of slightly over $17,600 for the year ended April 30, The Financial Post is informed. This is equivalent to slightly over 18 cents a share on the basis of the 95,515 shares outstanding on April 30. Not all these shares, however, were outstanding during the year. Outstanding capitalization as at April 30, 1935, was 42,946 shares.

The company's statement to shareholders which will appear in a day or so will show considerable expansion and improvement during the last fiscal year. Capital subscribed advanced during the year from $247,804 to $592,375. Shares outstanding increased by 125 per cent and income for the year on the average capital invested was at the rate of approximately 5.86 per cent. Twenty cents a share was paid in dividends.

Substantial increase in the market value of the company's investment holdings is reflected in 3 increases in the offering price of shares during the year. On June 27, 1935, the offering price was increased from $6.25 to $6.40 a share; on Nov. 4 1935, to $6.50; and on Jan. 9, 1936, to $7.25.

In a recent bulletin, City & Dominion Co., distributors of Corporate Investors shares, stated: "There is no doubt that inflation is with us and that we shall experience it in an increasing degree."

The following table shows the changes in percentages of capital invested in different classes of securities since the commencement of operations in June, 1932:

Investment Distribution

	June 1932 %	Apr 1933 %	Apr 1934 %	Apr 1935 %	Apr 1936 %
Government and municipal bonds	100	55	14	7	3
Corporation bonds	..	45	19	5	3
Preferred stocks	..	..	32	42	29
Common stocks	..	..	35	46	65
	100	100	100	100	100

Government, Municipal, Public Utility and Industrial Bonds

List of current offerings furnished on request

NESBITT, THOMSON and Company Limited

355 St. James Street West, Montreal

Branches in all the principal cities of Canada

Investment Notes

Montreal Power's stock is one of the few major issues on the Montreal Stock Exchange that has not given much account of itself in the last few months. Reports indicate that power sales are better than a year ago, while gas sales are holding their own. The company's investment portfolio should be doing better in view of the improved market. Withal the favorable factors, the stock is standing still. This is probably due to the accepted belief that a large block of stock is in liquidation. This liquidation is expected to be cleared up shortly, when the stock should show more response to the stronger market trend.

* * *

Dominion Coal preferred is beginning to indicate that the liquidation of old holdings is about over. When the old stock was split 8 for 1, there was a considerable amount of unloading. This has held down the market value to around 15. The price has moved up to 16 in a strong market which reflects the substantial dividend paid.

* * *

Canadian Car—Efforts are being made to work up interest in Canadian Car preferred and common stocks. Both of these issues were prime favorites a few years ago, but when the railways stopped buying equipment, the public lost interest in the "car" stocks. The war claim has again been brought out. If the company ever is successful in establishing its claim before the Mixed Claims Commission at Washington for alleged sabotage of the Kingsland plant, the treasury will be enriched by several millions of dollars.

* * *

Asbestos Corp. common stock is steadily climbing upward, currently selling around 27 to 28. While there are no possibilities of dividends until nearly $750,000 of the general mortgage bonds have been retired, there is a prospect that a financial operation will be carried out, clearing away this contingent liability and putting the company in a position to pay something on the common stock.

* * *

Steel of Canada—The manner in which Steel Co. of Canada's common stock is holding would indicate that the directors may take further action this year to whittle down the "arrears" of dividend on this security. Operations are said to be continuing along satisfactory lines, so that the board may feel justified in paying an extra to the common shareholders.

* * *

Ogilvie Flour Mills preferred stock recently touched a new high of 165. There is a very small turnover in this security, so that the value fluctuates widely on little trading. However, the current value is a reflection of the high regard in which the stock is held as an investment medium, plus the reports that the milling companies are experiencing more profitable operations.

* * *

Shawinigan—Reopening of the Ste. Anne Paper Co.'s mill at Beaupre, P.Q., would have a beneficial effect upon earnings of Shawinigan Water and Power Co. The latter adjusted its power contract with the paper company in 1932, with the minimum requirements waived for four years. In September, 1936, when this agreement expires, Ste. Anne Paper will be faced with the problem of paying $355,000 yearly for power which can only be utilized by reopening the mill.

* * *

Bruck Silk Mills stock is in disfavor with investors, the current market price being the lowest recorded for a long time. While reports originating with the company appear to indicate that there has been no change of importance, the market feels that the company may not be able to maintain the dividend. Now and again the market makes a mistake, but there has been steady pressure on Bruck Silk shares for several weeks.

* * *

National Breweries common has touched a new high at 44¾. At one time this stock enjoyed a very poor market position, large blocks being held in a few hands. However, excellent distribution has been secured in the past two or three years, with the result that the stock is giving a splendid account of itself on the market. Listing in Toronto will further help distribution. The yield is attractive at about 4½ per cent.

* * *

Gypsum, Lime and Alabastine—Report of a 25 per cent gain in sales and a proportionate rise in earnings during the first five months of the fiscal year, compared with 1935, are encouraging. Financial position has been strengthened although nothing was earned on the common in the last four years. A residential building revival would mean much to the company this year.

* * *

Tip Top Tailors may not consider dividends for 1936 until results of the first half year can be appraised in the light of prospects for the second six months, when the bulk of the company's business is done. The company has a number of western agencies and improvement in western purchasing power could reflect itself quickly in earnings from that source. A declaration of 25 cents on the common was made last July.

* * *

Distillers Corp.-Seagrams' quarterly statements of earnings and expenses to date feature very heavy outlays for legal expenses. During the first half of the year ended January 31, 1936, the company paid out $127,696 for legal fees. In the third quarter legal fees totalled $52,834. In addition there was a legal bill of $125,000 in connection with the settlement of the claims advanced by the United States Treasury Department, which cost the company $1.5 millions. Thus far this year Distillers-Seagrams has paid out $305,530 in legal fees, or $180,530 leaving out the non-recurring charge in connection with U. S. Government claim.

* * *

Southern Canada Power—For the third time since last October, Southern Canada Power Co.'s monthly statement of operating revenue shows an increase in net income over that for the corresponding month in the previous year. Last month net earnings at $105,793 showed a gain of $3,054 over May, 1935. As a result of this showing, the decline in net earnings for the eight months to date was reduced to $10,272.

* * *

Canadian Celanese—Action of the directors of Canadian Celanese Ltd. in giving to an investment dealer options on a block of preferred and common stock without first offering the stock to shareholders, has given rise to criticism. It is customary, and a moral if not a legal obligation, to give shareholders the right to take up any additional stock which a company issues for the purpose of raising new capital. In this particular case the amount of stock involved is relatively small, but it may be that the shareholders would willingly have taken up the stock on the same basis as that already accepted by the company.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	156.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
Weekly Figures, 1936:										
June 4	124.0	17.1	86.3	229.9	69.4	149.1	126.1	187.6	53.0	117.4
June 11	124.9	17.3	86.1	230.0	67.4	149.8	125.6	187.8	53.2	117.6

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 16	130.49	142.78	130.28
June 15	130.38	144.20	130.48
June 13	130.29	144.07	130.54
June 12	129.77	143.45	131.16
June 11	130.08	145.38	130.42
June 10	130.91	144.00	129.24
Month ago	129.43	134.04	131.19
Year ago	109.51	106.78	93.96
High, 1936	143.48	145.38	144.33
Low, 1936	125.71	115.97	125.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
June 16	68.3	72.8	71.3
June 15	68.7	72.8	71.4
June 13	68.4	72.6	71.2
June 12	68.5	72.1	70.9
June 11	68.8	71.6	70.7
June 10	69.2	71.1	70.4
Month ago	68.5	70.5	69.8
Year ago	60.2	59.9	60.0
High, 1936	73.4	78.4	76.6
Low, 1936	67.2	69.5	68.9

Acadia Sugar Cleans Slate

Liquidation of All Preferred Arrears Paves Way for Common

From Our Own Correspondent

MONTREAL.—Acadia Sugar Refining Co. has cleaned up all arrears of dividends on its preference stock with declaration of an interim dividend of 3 per cent payable July 1 to shareholders of record June 16.

Under the reorganization plan carried out in 1926 the company issued $1.5 million of 6 per cent cumulative preferred. No dividends were paid in the next four years; initial payment being made December 15, 1930. In the year ended January 3, 1931, the company earned 29 cents a share on the preferred.

Arrears Steadily Reduced

From that time onward earnings on the preferred were well in excess of regular dividend requirements and the company took steps to pay off the arrears, in addition to paying the regular dividends. In 1931, one per cent was paid on arrears; in 1932, 3 per cent; in 1933, 5 per cent; in 1934, 6 per cent; in 1935, 6 per cent. With the July 1 payment the company will have paid 3 per cent on arrears.

Liquidation of all liabilities in connection with the preferred dividend, leaves the way clear to paying something on the common. There are 300,000 shares of $5 par value each outstanding. Earnings have been shown on this stock in the last five years, amounting to 49 cents a share in 1935. Expectations are, therefore, that the common will be put on a dividend basis shortly.

Canadian Industries Ltd. Declares Extra on Common

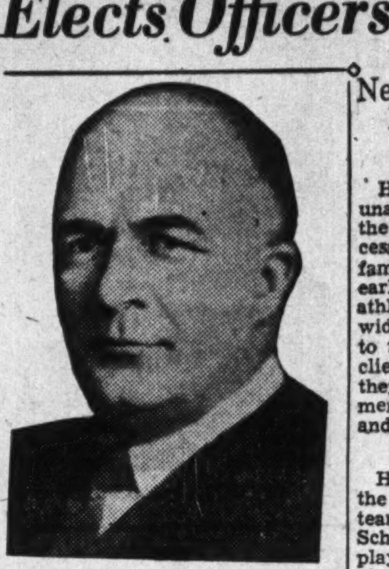
From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. has declared an extra dividend of 75 cents a share, in addition to the regular quarterly dividend of $1 a share.

Both disbursements are payable July 31 next to holders of record June 30. On March 31 a regular dividend of $1 a share was paid.

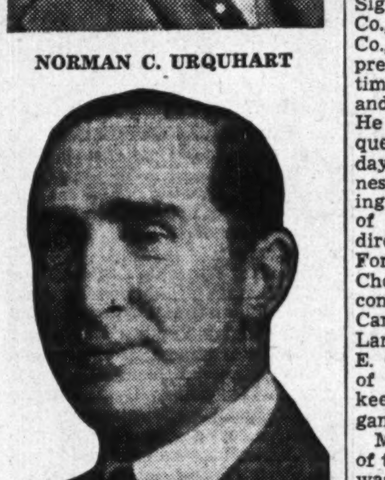
No announcement was made regarding the current trend of earnings, but in view of the declaration of the extra, it is assumed they are running at a level comparing satisfactorily with that of a year ago.

Toronto Stock Exchange Elects Officers and Board



H. B. HOUSSER

NORMAN C. URQUHART



MANNING DOHERTY

F. G. LAWSON

New President, H. B. Housser, Was Once Noted Athlete

H. B. Housser, who has just been unanimously elected president of the Toronto Stock Exchange, in succession to G. W. Nicholson, gained fame in quite another way in the early years of this century. His athletic achievements won Dominion-wide attention at that time and even to this day a number of his oldest clients date back to the days when they admired him for his achievements in hockey, rugby, lacrosse and other games.

Captained Varsity Hockey

H. B. Housser was the captain of the University of Toronto hockey team while he was a student at the School of Practical Science. He also played on the rugby team, swam, played squash and lacrosse and took a seasonal interest in nearly every sport. He was born in Winnipeg in 1885 and attended public school there. Later he attended St. Andrew's College in Toronto and is now on the Board of Governors of that school.

For some years after leaving college Mr. Housser continued his interest in athletics. For instance, he played on the St. George hockey team. He continued to swim and play squash. He also took up golf and sailing and was to be found wherever athletes gathered out of love for sport.

Keen Business Student

Gradually business began to absorb more and more of his time and energies. He still continued to play a good deal of golf while he was gaining wide experience in important business with the Massey-Harris Co., Toronto, International Marine Signal Co., Ottawa, J. A. MacKay Co., Montreal, and Aemilius Jarvis Co., Toronto. He organized his present firm in 1917 and from that time his interest has centred more and more in business and brokerage. He is a keen student of economic questions as they bear on the everyday conduct of business. His business interests are wide and widening. He is president and director of Consolidated Food Products, a director of Canada Foundries & Forgings, a director of Willard's Chocolates and of several other companies. His clubs are National, Carlton, Royal Canadian Yacht, Lambton Golf, University and D. K. E. (New York). The chief remnant of his old athletic prowess is the keen interest he takes in boys, their games and their education.

Mr. Housser is the 38th president of the Toronto Stock Exchange. He was vice-president last year and has been a member of the managing committees of the exchange both before and after the merger with the Standard Stock & Mining Exchange.

Elects New Board

The new vice-president is Norman C. Urquhart, former president of old Standard Stock & Mining Exchange, and other officers elected by acclamation are:

F. G. Lawson, secretary, partner of Moss, Lawson & Co.

Hon. Manning W. Doherty, treasurer, partner of Doherty, Roadhouse & Co.

Members of the managing committee returned to office are:

F. J. Crawford, of F. J. Crawford & Co.

G. R. Bongard, of G. R. Bongard & Co.

R. B. Duggan, of Duncanson, White & Co.

E. Gordon Wills, of Wills, Bickle & Robertson.

T. A. Richardson, of F. O'Hearn & Co.

In order to retain his services and the benefit of his experience, the past president, G. W. Nicholson, was offered and accepted a position on the managing committee.

British American Oil Extends Proved Area

British American Oil Co. announces successful completion of four more wells in the Oklahoma City fields: McNabb No. 5, potential 15,956 barrels, allowable 718 barrels; McNabb No. 3, potential 17,542 barrels, allowable 789 barrels; McNabb No. 2, potential 15,486 barrels, allowable 687 barrels; Warr No. 1, potential, 15,059 barrels, allowable 678 barrels; total potential, 64,043 barrels, allowable 2,877 barrels, British American Oil Co.'s percentage of the production is not stated.

McNabb No. 3 being the most northerly of producers, and Warr No. 1, the most westerly, are considered to be significant as showing an extension of the area definitely proved. Seven more wells are expected in June. There are now 21 B. A. wells in production in the field. Allowable in June is 4½ per cent against 8½ per cent in May. Total June deliveries may, however, be greater in June than in May.

Monarch Life Has Record May

New paid-for business during May was the highest with one exception since 1930, according to Monarch Life Assurance Co.

Leading agencies were those in Victoria, London and Three Rivers, while the provinces to show the largest gains were Ontario and Saskatchewan.

The company sets aside May as president's month.

Distillers-Seagrams

Distillers Corp.-Seagrams financial statement for the quarter ended April 30, 1936, shows sales on much the same basis as reported in the previous two quarters, but with operating net profits running ahead. During the period sales aggregated $14.7 millions, as against over $31.3 millions for the previous half year. Net operating profit for the third quarter was $1.6 million.

Feature of the report is the writing off against profit and loss account $1.5 million in settlement of claim brought by the United States treasury Department and legal expenses of $125,000 in connection therewith.

Before considering the U. S. treasury claim earnings on the capital stock were equal to about 93 cents a share, as against 60 cents a share for the first half of the fiscal year.

Consolidated Income Statement

Three Months Ended April 30, 1936

	$
Sales	14,738,419
Less: Cost of goods	10,074,999
Add: Other income	22,571
Gross revenue	4,685,991
Less: General expenses	2,696,390
Directors' fees	375
Exec. salaries	65,049
Legal fees	52,834
Interest (net)	125,175
Depreciation	31,012
Income taxes	95,476
Net profit	1,619,679
Previous surplus	15,252,377
Less: Additional tax	71,735
Settle. U.S.A. treasury claim	1,500,000
Legal fees in connection with claim	125,000
Surplus forward	15,175,321

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Province of New Brunswick

3½% Non-Callable Debentures

Due June 15th, 1956

Denominations: $1,000 and $500.

Price: 100.50 and interest, to yield 3.46%

We shall be glad to furnish additional investment suggestions upon request.

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Toronto
Montreal
Winnipeg
London, Eng.

36 King Street West
Toronto
Telephone: Elgin 4321

Ottawa
Hamilton
Vancouver
London, Ont.

Nor. Candn. Mortgage Co.

Provision of $19,364 for depreciation on buildings resulted in a net loss of $2,583 for Northern Canadian Mortgage Co., Winnipeg, in the year ended March 31, 1936, compared with a profit of $12,271 in the previous year. In the year ended March 31, 1935, no provision was made for depreciation.

Total assets after reserves for losses amount to $508,591. Of this, $205,407 consists of mortgage loans and agreements and $275,380 of real estate.

During the year the capital value of the company's common stock was reduced to $1 a share, shareholders approving the transferring of $117,866 of the book value of the common stock from capital account to reserves for losses.

INCOME AND SURPLUS ACCOUNT

Years Ended March 31

	1936 $	1935 $
Receipts:		
Mtge. & agree. int.	18,516	17,202
Discounts earned	176	232
Rents received (net)	52,136	45,953
Divds. on invest.	777	550
Other incomes	......	3,735
	71,605	67,672
Less expenses:		
Management	5,903	7,717
Legal fees	510	943
Taxes on real est.	15,628	15,280
Int. on mtges., etc.	31,786	30,044
Bank interest	997	1,417
Deprec. on bldgs.	19,365	......
	74,189	55,401
Net profit	*2,584	12,271
Add: Previous surplus	16,299	4,028
Tax adjust.	1,732	......
Less: Interest w/o	703	......
Balance forward	14,744	16,299

* Loss.

National Breweries Stock Listed in Toronto

Application of National Breweries Ltd. for regular listing services on the Toronto Stock Exchange has been approved and the stock transferred to the listed section from the Curb Market.

4%

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Bond Markets

Soaring Prices Feature High Grade Bond Market

Prices of Western Provincial Bonds Show Weakness—Alberta Situation Has Serious Aspects

Prices of high-grade government bonds continue to soar upward, new highs being recorded daily.

In Western Canada, however, indications are that a serious financial crisis is developing. The province of Alberta and the city of Calgary have both put an arbitrary reduction in debenture interest into force. Brandon, Man., has asked for the appointment of an administrator and is likely to default in the near future. Vancouver is continuing its agitation for a reduction in debenture interest.

Reflecting this situation, Alberta bonds have recorded further declines of from 1 to 5 points. British Columbia issues have eased off 3 to 4 points and Saskatchewan's from 1 to 2½ points.

Investigation of the finances of Winnipeg suburban municipalities which are in default and of the city of St. Boniface is to be undertaken immediately with a view to refinancing.

Irritation Ahead

THE Financial Post's prediction that considerable irritation still lies ahead of bondholders appears to be materializing.

Proposals for compulsory conversion of debenture debt are spreading. A number of western Canada municipalities which are faced with financial difficulties are watching the Alberta and Calgary experiments closely and may follow suit. It is almost certain that other Alberta municipalities will attempt similar action. If Alberta and Calgary are successful it is possible that the area of disturbance will spread to British Columbia where there is already considerable agitation for reduction in interest rates, and even to Saskatchewan. The latter, however, has given definite assurance that repudiation is not being considered.

* * *

Quebec Situation

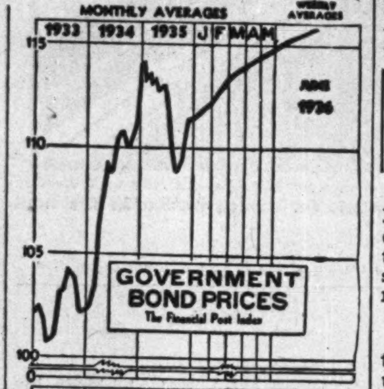
IN EASTERN Canada the Quebec situation is the major disturbing factor. One of the planks of the l'Action Liberale Nationale party, which appears to have excellent prospects of winning the Quebec election, is a downward revision of interest rates on mortgages and conversion of the provincial debt at the lowest possible rates.

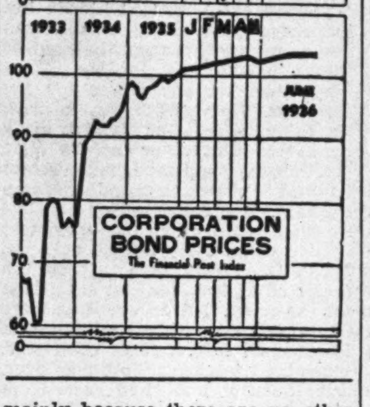
Then, again, there is the Montreal situation. Conversion of the city's debt remains a live issue. Voluntary conversion is being discussed now that the Montreal bill, providing for forced conversion, is shelved until a new provincial government is elected. Bondholders are unlikely to consent to such a proposal, especially since little or no attempt has been made by the city to reduce its expenditures and balance its budget.

* * *

Prices Too High?

IT DOES not seem possible that prices of high grade government bonds can advance much further. While the recent reduction in bank interest forced additional funds into the bond market many investors are turning from government bonds to sound industrial stocks. Yields have dropped to a level where long term government bonds have lost much of their attractiveness for investors. The banks, insurance companies and other institutions continue, of course, to be large purchasers of government securities, mainly because there are no other investment opportunities open to them.





In many respects investors are well advised to avoid large commitments in high grade bonds. In one, two or three more years there is almost certain to be severe losses in high grade bonds. In the past, the general interest rate, lowered by the accumulation of idle funds incident to a prolonged depression, has always advanced after a relatively short time. Economists are agreed that it will rise again as attractive uses for capital revive. As interest rates rise prices of bonds will decline.

* * *

Bond Index

THE trend of the high grade bond market is indicated below:

The Financial Post Average Price and Yield for High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
June 16	116.56	3.101	June 15	112.29	3.584
June 15	116.37	3.118	June 14	112.26	3.587
June 13	116.27	3.127	June 13	112.56	3.566
June 12	116.23	3.131	June 12	112.68	3.554
June 11	116.08	3.149	June 11	112.76	3.551
June 10	116.04	3.151	June 10	112.89	3.540
Year's	116.56	3.101	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

ONTARIO CHAIRMAN

K. M. PRINGLE
Of Dominion Securities Corp., Toronto, who has been elected a vice-president of the Investment Dealers' Association of Canada and chairman of the Central District.

Municipal Finances

Collingwood, Ont., has struck its 1936 tax rate at 44 mills, a decrease of 11 mills from 1935. The explanation of this is a general boost in assessment amounting to approximately $700,000.

* * *

Kamloops, B. C., encouraged by the authority given to Vancouver to undertake refunding of its debentures if 51 per cent of bondholders approve, has adopted a resolution requesting that similar authority be granted by the provincial government to all British Columbia municipalities.

* * *

Ottawa, Ont., is to seek special legislation which would permit $485,563 in unexpended debenture accounts to be used for purposes other than for which the debentures were issued. The various works for which the debentures were issued were completed and paid for, the amount of $485,563 being the aggregate of unused balances.

* * *

Riviere du Moulin, Que., is paying interest coupons due Nov. 1 and Dec. 1, 1935. Interest is also being paid from May 1 to Nov. 1, 1935, on bonds matured May 1, 1934, and May 1, 1935 and from June 1, to Dec. 1, 1935, on bonds matured June 1, 1934 and June 1, 1935.

* * *

Riverside, Ont., subject to the approval of the supervisors, has asked for the appointment of a fiscal agent to make a survey of the town's financial condition and to make recommendations with regard to a refinancing scheme.

* * *

Windsor, Ont., is faced with an extra levy of 5½ mills because of over-expenditure on relief, according to Mayor Bennett. This, he claims, is the result of a reduction in governmental grants to the city on account of relief.

* * *

Toronto, Ont., reports decreases in the gross outlay for relief, the net cost to the city and the number on relief during the first 5 months of the year, compared with the same period of a year ago. Gross expenditure to the end of May was $4,337,000, a decrease of $514,558 from the first 5 months of 1935. The net cost to the city was $1,234,640, a drop of $507,000. The number on relief at the end of May declined from 101,000 individuals to 80,000.

R. D. Baker Says Relief Main Cause of Deficits

New I. D. A. President Is Winnipeger Born and Schooled

By STAFF EDITOR

JASPER PARK LODGE.—Ralph Dennistoun Baker, who has just been elected president of the Investment Dealers Association of Canada for 1936-37, at the annual meeting here, is manager at Winnipeg for James Richardson & Sons.

Changes Views

As a vice-president of the association, Mr. Baker has been chairman of the western district. Last year in reporting to the annual meeting he took a definitely optimistic view of conditions in western Canada and on intentions of government and municipal officials.

This year Mr. Baker frankly acknowledges his error. He blames partial crop failure and continued relief burdens for the further postponement of balancing of budgets in the west. From the investor's viewpoint, he sees as the most damaging change the psychological swing toward schemes for debt conversion.

Comment on Alberta

Regretting the adverse effect on Saskatchewan and Manitoba, Mr. Baker comments on Alberta's default and proposed debt conversion:

"Whether the steps taken are regarded as the fanatical pursuit of economic lunacy or the logical outcome of attempting to bear a burden which seemed too heavy to carry, the results are the same.

"What will ultimately happen, I am not prepared to even suggest. There are, however, two unfortunate developments which have occurred. Firstly by inference or association, the credit reputation of Manitoba and Saskatchewan has suffered, as indicated by the lower prices for bonds of those provinces. The second development . . . is that the idea has become infectious and has spread to municipalities which previously had protested the cost of servicing funded debt, but had not actively suggested conversion as the way out."

National Viewpoint

Mr. Baker summarizes his views on problems of national finance, in his report to the association, as follows:

"A very large part of the troubles of Dominion, provincial and municipal governments during the past 3 or 4 years resolve themselves down to the cost of unemployment and relief, and until this is eliminated or, at any rate, considerably reduced, deficits and defaults are likely to continue. The remedy or remedies seems to lie partially with the governments and partially elsewhere.

"Undoubtedly, co-ordination of effort and the elimination of multitudinous administrative bodies would result in substantial economies. Public works programmes, schemes of rehabilitation, 'back-to-the-land' movements, and similar projects are necessary temporarily at least, and all assist in reducing unemployment, but many of them are of a temporary nature only, and all of them are at a cost.

"The trouble and the solution seem to be of a more fundamental nature. Industry must employ the unemployed in the normal course of its development. This, in turn, brings in the question of increased production to utilize more labor, which will only occur if, when and as long as there are markets for the production. Markets are in turn dependent on a multitude of factors such as prices, tariffs, government participation in the functioning of markets, and so on."

True Winnipeger

Mr. Baker, like many leaders in the investment business in Canada, has an athletic background. He played hockey with the University of Manitoba and Winnipeg Victorias and has also taken the bumps of rugby and lacrosse.

He is a true Winnipeger, having been born in the western metropolis 41 years ago.

From 1912 to 1914, Mr. Baker worked for land mortgage companies in Winnipeg. He joined the army in October, 1914, went overseas with the 27th Battalion in 1915, later becoming a Flight Commander in the R.A.F. and finally examining officer in charge of flying instructors.

Experience in Finance

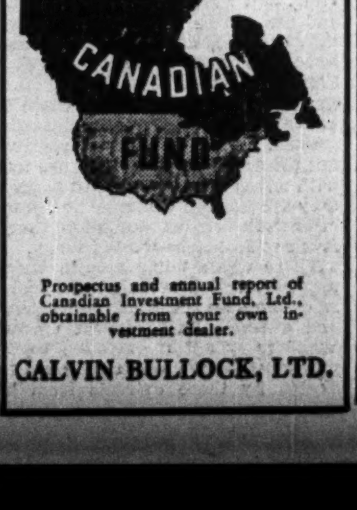
Upon returning to Canada in 1919, Mr. Baker entered the bond business with Bawlf & Winslow, Winnipeg. He organized the bond department of John Macgregor Co. in 1922, the firm later becoming John Macgregor & Baker Co. Subsequently he was Winnipeg manager for E. A. Pierce & Co., wide-flung organization dealing in commodities and investments. He has been manager at Winnipeg for James Richardson & Sons for some years and has served several terms as a vice-president of the Investment Dealers Association.

Still Negotiating

From Our Own Correspondent

VANCOUVER.—Latest move in the long drawn-out negotiations for reduction of interest rates on Vancouver bonds is the decision of the city to send representatives to Winnipeg, where they will confer with agents for some 40 per cent of the bonds on the proposal to refund at 3 per cent.

This action was a sequel to a meeting between council and bond dealers who expressed the opinion refunding on the terms suggested by the city was out of the question.



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I.D.A. Elects 5 Vice-Presidents

Represent Districts from Coast to Coast

By Staff Editor

JASPER PARK LODGE.—In addition to electing R. D. Baker, of James Richardson & Sons, Winnipeg, president, the Investment Dealers Association of Canada has elected vice-presidents for 1936-37 as follows:

Maritime District—F. J. Brennan of Irving, Brennan & Co., Saint John.

Eastern District—W. T. K. Collier, of Collier, Norris & Henderson, Montreal.

Central District—K. M. Pringle, of The Dominion Securities Corp., Toronto.

Western District—W. M. Houston, of Houston, Willoughby & Co., Regina.

Pacific District—M. F. Wardhaugh of Nesbitt, Thomson & Co., Vancouver.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Ontario Steel ...	6%	1943	July 1	110
Robt. Simpson*.	5%	1952	July 1	105
Imperial Realty.	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming†	5½	1932-56	July 2	101
Dom. Canners ..	6%	1940	Oct. 1	110
Saguenay Pr. ..	6%	1966	July 1	104½
Can. Canners ...	6%	1950	July 2	105
St. Law. Flour .	6%	1941	July 1	110
Famous Players.	6%	1948	July 1	103
Do., ...	6½%	1948	July 1	103
Inter. C. Baking‡	5½%	1948	July 1	103½
Do., ...	•5½%	1948	July 1	103½
Nfld. L. & Pr. ..	7%	1949	July 1	105
St. John Dry D.	4%	Serial	July 5	103
Continental Pap.	6½%	1943	Aug. 1	102½

† $65.000. * £12,500.
‡ $36,000 for sinking fund purposes.
• $164,000 called under redemption provisions.

Stock Issues:	Rate	Stock	Date	Price
Brant. Cordage	8%	Pref.	July 15	$30
Supertest Pet.	7%	Pf. A	June 30	110

Religious Issues

Sisters of Charity, Qué., 5%, July 1, 100.
Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1, 100.
Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1, 101.
Sisters of Charity of Saint-Louis, Bienville, 5½%, July 1, 101.
Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1, 102.
Diocese of Timiskaming, émission $65,000, 5½%, 1932-56, July 1, 101.
Notre D. Hospital, Montréal, 5½%, Oct. 1, 102.

Bond Tenders

June 22, Laprairie, P.Q.—$36,000, 4 per cent, dated July 2, 1936, redeemable in 15 and 30 years. L. J. Bourdon, sec.-treas.

July 2, Ste. Agathe des Monts—$36,000, 4 and 4½ per cent bonds, dated July 1, 1936, redeemable serially from Jan. 1, 1937, to Jan. 1, 1961. Georges Liboiron, sec.-treas.

St. Lawrence Mills Bond Plan Passed

From Our Own Correspondent

MONTREAL.—With practically a unanimous vote, shareholders of St. Lawrence Paper Mills approved a by-law authorizing the creation of bonds up to an amount of $2.5 millions.

The company proposes to deposit $1.6 million of the bonds with its bankers for the purpose of securing a cash loan of $600,000 and establishing a line of credit.

With the $600,000, St. Lawrence Paper will dispose of two claims totalling $972,075, the settlement of which will thus involve a saving of $372,075. The largest claim is that of Shawinigan Water and Power Co. for power delivered and unpaid. At the end of last year the company owed Shawinigan $700,533. On the same date the company owed $271,542 to Brompton Pulp and Paper. No particulars have been made public as to the terms of settlement, other than the cash payment will be $600,000 in full settlement.

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AND THE TOWNSHIPS OF

Etobicoke, East York, North York, Scarborough and York

NATIONAL TRUST COMPANY, LIMITED, and THE TORONTO GENERAL TRUSTS CORPORATION, appointed by the Department of Municipal Affairs of the Province of Ontario, for the purpose of formulating and presenting for consideration and adoption plans for reorganizing the debenture debt and other obligations of the above-named municipalities, desire to secure the names and addresses of all holders of debentures of these municipalities and particulars of the debentures so held.

Debenture Holders of the Towns of MIMICO and WESTON and the Township of YORK, are accordingly requested to send to the National Trust Company, Limited, 20 King Street East, Toronto, and Debenture Holders of the Towns of LEASIDE and NEW TORONTO, and the Townships of ETOBICOKE, EAST YORK, NORTH YORK and SCARBOROUGH are requested to send to The Toronto General Trusts Corporation, 253 Bay Street, Toronto, the following information: the Municipality, By-law Number, Serial Number, Principal Amount, Due Date, Rate of Interest, Date of First Unpaid Coupon.

Registration Forms may be obtained from either of the undersigned Trust Companies. Please note that you are not asked to forward Debentures and that there is no charge to you for this registration.

The Companies are making an analysis of the finances of each of the above named municipalities and in due course a statement relative thereto will be available.

Signed on behalf of the Companies,

National Trust Company Limited
By: J. M. MACDONNELL,
General Manager.

The Toronto General Trusts Corporation
By: W. G. WATSON,
General Manager.

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TORONTO, JUNE 20, 1936

Trade Facts in the Trade Press

AT THE annual meeting of the Canadian Manufacturers' Association, Hon. W. D. Euler, Minister of Trade and Commerce, made a very effective address on Canada's export problems.

In the course of his remarks he expressed his keen disappointment that more businessmen do not read the Commercial Intelligence Journal which is available at $1 per year. Only a few hundred copies are now being subscribed for, and he found it very hard to understand the indifference on the part of businessmen to a publication that the government was putting out solely for their use and benefit. He was, he said, considering a plan whereby the paper might be sent on a free basis to interested manufacturers.

The Commercial Intelligence Journal has been published for many years, and if there continues to be indifference on the part of manufacturers to it, then obviously it is either not giving the needed information or it is giving it to businessmen in the wrong form. Trade and technical newspapers are specialists in compiling and publishing business information in readable and useful form. It may be that the Department of Trade and Commerce could obtain better results by putting out the valuable information it obtains from its trade commissioners through established papers that are specialists in their field, rather than in continuing its unsuccessful effort to build up a competitive newspaper.

In the one case there would be no printing, publishing and mailing expense to the government other than the cost of multigraphing copies of trade reports for distribution to the business press. But at the present time the government is engaged in a publishing venture, which is apparently run at heavy cost, and yet fails to serve the purpose for which it was intended. Putting the paper on a free distribution basis would increase the deficit without materially widening the following for the very valuable data which the department compiles from all over the world and which would be of the greatest interest and value to Canadian businessmen if it were presented to them in readable form through papers they read regularly.

Boomerang

THE Canadian Chamber of Commerce no doubt counts as its most striking individual achievement, its nomination and the subsequent election of the present Board of Directors of the Bank of Canada.

The Chamber feared what might result from an open, democratic election. It intervened to choose a slate that would include representatives of all areas and several classes of producers and succeeded in getting its men in.

Yet today one of the chief arguments put forward for having political appointees dominant on the board of the Bank is the fact that it was possible under the present system for a single business body to impose its will upon the country in this manner. In short the Chamber's success has won it much public disapproval. The western members of Parliament have made it clear that they regard the move as one inimical to public interest. The Minister of Finance has described the election as a fiasco. The leader of the opposition said last week that the chamber carried on its propaganda to an extent that was "most undesirable."

What, then, did the Chamber accomplish? It got its board in, including some able men. But it also annoyed representatives of all parties and made the general public exceedingly suspicious of "big business." Was it worth while?

Blind to Obsolescence

OBSOLESCENCE is the thief of profits. It stalks every business, and when the executives are not on guard it robs them of their earning power.

Canadian railways have been growing obsolete. Throughout the world, new types of engines, freight cars, passenger trains and other equipment have been devised, even in these depression years. Our railways, probably because of the seriousness of their financial problems, have been slow to accept new ideas and put them into execution. Now they are wider awake. They are making a drive to recover passenger traffic lost to buses; to meet truck competition in freight; to design and construct new equipment. The Canadian National has its first powerful streamlined locomotive on display; the C. P. R.'s smart, modernized passenger train is getting its finishing touches in the shops. These are significant first moves; millions of new expenditure are hardly to be avoided or our railways will be left behind along with the other relics of the buggy era.

Modernization is the great new challenge to the railways and their only hope for financial rehabilitation. Yet the retiring chairman of the C. N. R. does not see it. In Ottawa last week Senator A. D. McRae, who has a real appreciation of what our railway problem is and means, asked Judge Fullerton if he did not think our railways were facing enormous expenditures on modernization. Judge Fullerton's reply was one to astound his listeners with its utter lack of appreciation of the force of obsolescence.

He said:

> "I cannot see that at all. Some of our stations may not look very well and a few of our trains need a little paint. But we have plenty of engines and track"

Ethics of Bond Selling

AT THIS week's annual meeting of the Investment Dealers' Association of Canada, D. I. MacDougall of Halifax, made one of the most striking comments on the functions of the Association itself, as follows:

> "The importance of the members acting upon a generally understood code of ethics cannot be too strongly stressed, and it is most desirable that members realize the importance of, and the united power for public good which lies in their hands — to advertise clearly and frequently what the Investment Dealers' Association of Canada stands for, who are the members of the Association, and the necessity for the Association; also that by training, habit and experience the members aim to be sound in their opinion, prudent in their conduct and careful and conservative in their advice to the investing public."

The Association has endeavored to accomplish these desirable ends, but it has not always acted as effectively as possible, partly because of lack of unanimity among members, partly because of mistaken modesty about its activities.

While members cannot all be expected to see eye to eye on contentious questions of policy, there are broad principles of ethics in public and private finance upon which unified and publicized action should be possible, to the enhancement of the public prestige of the Association.

McGeer Answers McGeer

G. G. McGEER, M.P., is a persuasive speaker. He was even able to persuade the House of Commons to permit him to speak for a couple of hours on the subject of money when ordinarily debates in the House are limited to 40 minutes. What he had to say was clearly said and in simple language. It was what he said to the Canadian MacMillan Commission, what he has said in western magazine articles and what he has said in numerous speeches. In brief, his argument is that the way to prosperity is to print money up to the limits our currency laws would permit; that printing money would stimulate employment and enable us to buy public buildings, highways, and commodities that are not now available to governments and people.

Yet it is most curious that Mr. McGeer should persist in this argument. In the course of his speech he read a lecture to Mr. Cahan in the course of which he said, "My honorable friend should always keep in mind that money is only a simple tool of trade created primarily to serve as a medium of exchange."

This was the truest sentence in his entire speech. Money is indeed a tool. It is not in itself wealth, and of itself it creates nothing. And that is the answer to the whole of Mr. McGeer's two-hour argument for printing press inflation.

A saw is a tool. A hammer is a tool. Making more saws and hammers would not of itself provide more jobs for carpenters nor more buildings for people living in crowded, antiquated homes.

A plough is a tool. We could make another million ploughs in our implement factories and it would not sell the farmers' wheat.

A baking board is a tool. An unlimited supply of baking boards would not be sufficient to feed the hungry.

Money is a tool — a tool of trade. We could run the printing presses day and night and it would create no jobs (except for printers), add nothing to wealth and stimulate no new activity.

Mr. McGeer has made a strong argument for inflation, and demolished it in one simple sentence.

Editorials in Brief

When Hon. Mr. Euler gets to Russia he will probably find it a pleasant relief from the monotony of economic heresies preached in the House of Commons.

* * *

The bonus billions were paid on Monday. If the Social Credit-National Dividends people are right the depression should have been over on Tuesday morning. Was it?

* * *

While the northwestern Quebec railway controversy has been raging, some people may have contented themselves with the thought that we have a Railway Commission to look after such matters. But in the first place the Railway Commission has no authority to prevent useless railways being built. In the second place it is not a very lively body. Stop 100 people in the street, could one of them name a single member of the Board, even the chairman?

* * *

Weeks ago we said the Republican nomination would be a Landonslide. That was an easy one to call, although the U. S. press continued to make the outcome seem doubtful. Our readers will excuse us if we refrain from forecasting the results of the election. A handful of voters, changing their minds, can turn Roosevelt out. But will that handful change? All that can be said is that Roosevelt has the edge but Landon is by no means beaten before he starts.

* * *

Hon. C. H. Cahan's defence of sound monetary policies was a tour de force, worthy of this great veteran of statecraft. As an oratorical effort Mayor McGeer's exposition of the easy money viewpoint was equally effective. The public has the two sides of the inflation controversy presented and may choose between them. The logic and the record of history stand with Mr. Cahan. The visions and the wishful hopes are with Mr. McGeer.

* * *

G. G. McGeer, M.P., quotes the Dean of Canterbury, Premier Hepburn, Arthur Kitson, J. Maynard Keynes and U. S. Senator Duncan U. Fletcher as supporting his monetary views. In reading their tributes he told this story:

> "I am reminded of the fellow who went to a Masonic lodge banquet where he received an illuminated address. It was too much for him and he drank well but not wisely. When he got home that night he tucked his shoes under his arm and opened the front door and was astounded to see his wife at the head of the stairs. After she had told him in no uncertain terms what she thought about him he said, 'Yes, my dear; that is what you think about me; but' — drawing this illuminated address out of his pocket — 'I want you to read what the world thinks about me'."

What is the point of the story? That Mr. McGeer has drunk well but not wisely from the books on money? Or that the tributes paid him were as empty and meaningless as the words of the average illuminated address?

Post-Scripts

"Beating" the Customs

THERE are few Canadians who have not run foul of the arbitrary rulings of the Customs Department at one time or another. Invariably they come off second best. However there is a young woman, in one of the larger Canadian cities, who can boast of having "broken even" with the department. At the time of her wedding a friend in the Far East sent an ancient carpet as a wedding gift. In due time the recipient was notified that the rug had arrived. Upon claiming her gift, she was told by the customs inspector she would have to pay a duty of $35.

"Why should I pay a duty of $35 on a wedding gift?" she demanded.

Rules were rules she was told and the duty would have to be paid before she could take away the rug. In vain it was pointed out the rug was an old one; of no commercial value; and a wedding gift. The department officials remained adamant.

"If I don't pay the duty, what happens?" she asked.

"Oh, the rug will be kept for a few months and then put up for public auction."

"How much would it fetch at auction?"

"About $15.".

"Then in that case, I will wait until it is put up for auction and bid it in at that price," was retorted.

This was a totally unexpected development and one not covered by rulings of the department. After conferring with senior officials, the inspector came back and asked if she would pay a duty of $20.

She would and she did.

* * *

Cracking Down on Berry Pickers

MAN having accustomed himself fairly well to a closed season in regard to various game animals and fishes, now must prepare to do the same thing in the vegetable kingdom. We have heard, of course, of small boys being ordered to leave green apples alone, that is so long as the fruit remained green, but down in Nova Scotia the full majesty of the law has been called upon. On all Crown lands protection for the lowly cranberry has been urged.

Thus reads a new act, put recently before the provincial legislature:

> "No person shall take, pick, rake or sell, or have in his possession, any cranberries or foxberries, between the first day of August and the fifteenth day of September of each and every year."

Now the innocent hiker, professional or amateur, will have to be careful. If his next port of call proves more distant than expected, he will have to allay his hunger with something other than cranberries. And even during the open season, he must be prudent because nothing but handpicking of either cranberries or blueberries is going to be allowed. The walker, who carelessly permits some of the fruit to be torn away in his shoelaces, is risking a fine not exceeding eight dollars. It is stated that:

> "No person shall take, pick or rake from the bushes or vines any blueberries or any bogberries (Vaccinium Oxycoccus frequently called the small cranberry) by means of any scoop, or other mechanical device, or otherwise than by hand."

Sayings of the Week

"I was never a scholar." — *Premier Stanley Baldwin.*

* * *

"It is better to give than to lend, and it costs about the same."—*Sir Philip Gibbs.*

* * *

"Democracy is a process. Communism and fascism are hard-and-fast patterns." — *Glenn Frank.*

* * *

"If a man pays a license fee he charges a little more for everything he sells."—*Senator C. P. Beaubien.*

* * *

"I do not see how men who were forty-five or fifty in 1930 can ever hope to be taken back into industry."—*Senator John T. Haig.*

* * *

"Control is one of the greatest needs for keeping motion picture production in lines where it ought to remain—under pain of enormous guilt." —*Pope Pius.*

* * *

"Unfortunately, where banking is concerned, the importance of an expert knowledge of economics has not yet been recognized."—*Bertrand Russell.*

* * *

"The duty of a newspaper is to comfort the afflicted, and to afflict the comfortable."—*Sir Wilmott Lewis, Washington correspondent of The Times, London.*

* * *

"In 1937, with four or five hundred million dollars due, are we going to pay it? The minister (of finance) knows very well we are not going to pay it."—*H. H. Stevens, M.P.*

* * *

"A few more idle people and a few more on relief will probably induce the consumer to believe that it is perhaps more desirable to supply employment than to supply relief."—*Rt. Hon. R. B. Bennett.*

* * *

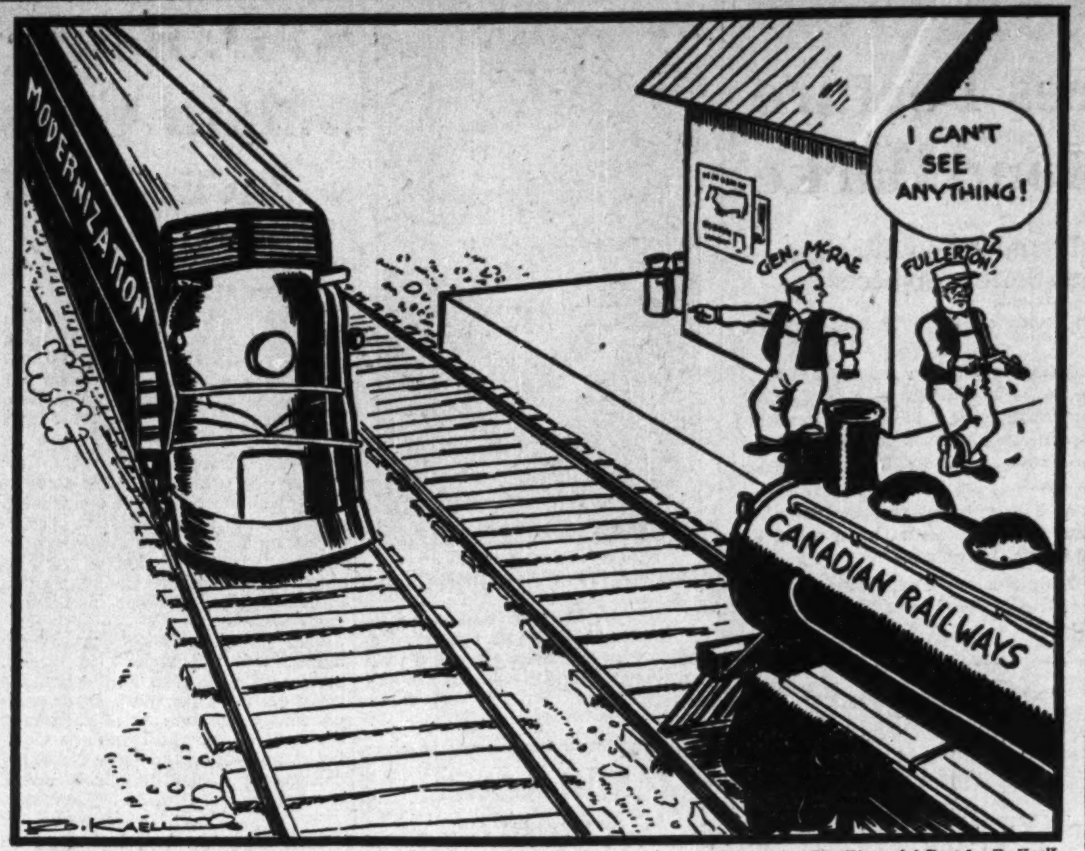
"All the stupendous lies of National Socialistic propaganda and the bible of the Fuhrer will, in the last analysis, arouse more laughter than indignation, despite all the misery they are creating."—*Lion Feuchtwanger.*

* * *

"I attribute such faculties as I may have to the fact that although not below the average of intelligence I was below the average in hard and strenuous work until I took my present job."—*Premier Stanley Baldwin.*

* * *

"It is a delusion to imagine Canada can occupy a neutral position in regard to foreign affairs. Canada is a rich country, thinly occupied, in the centre of the world. We present opportunities that may well stir envy."—*Sir Robert Falconer.*



—*Drawn for The Financial Post by R. Kaell.*

SENATOR A. D. McRAE: "Aren't the railways facing huge investments for modernization in the next few years?"

CHAIRMAN FULLERTON: "I cannot see that at all . . . ."

—*From last week's session of the Senate Railway Committee.*

In Defence of Haig

HAIG. Vol. II. By Duff Cooper. Published by the MacMillans in Canada, Toronto. Price $7.50.

It is a curious turn of events that makes Earl Haig's chief literary executor the present Secretary of State for War. There may be some who will accuse Major Duff Cooper of playing politics in this volume. His strictures on the politicians who were in command in Britain during the war, and notably upon Mr. Lloyd George, grow more bitter in Vol. II than they were in Vol. I. The story of Haig's life to the end of the Battle of the Somme was a straightforward narrative showing the training and development of a great soldier and his response when he was able to put that training to effective use. There was only a hint of that quietly firm resistance to political dictation that was Haig's strength. In this volume, Lloyd George and the amateur strategists are presented as further diffusing the pressure on Germany, as constantly interfering, as keeping Haig from going ahead and coolly winning the war on the Western front. Gradually, the bitterness and revulsion against the interferers which Haig himself seldom showed, takes hold of the author. The result is that Volume II becomes too much a defense of Haig and a counter-attack upon his critics; a negative rather than a positive story. It is a noble biography, yet it leaves the reader certain that the true final story of Haig, the General, cannot be written until further psychological and human data upon his personality have been made available and until all the participants in the great political drama behind the men at the front have passed on.

Pictured as Soldier

Haig was a soldier, undoubtedly one of the great ones of all time in British history. It is as a soldier that Duff Cooper presents him. He places on him no wreaths of civilian, academic or political greatness.

The critics of Haig seem to divide themselves into two groups. There are those who criticize his strategy, his ideas of how the war was to be won. In the opinion of this group he was hopelessly outdated; he had learned his soldiering in India and the Soudan and had never adapted himself to twentieth century warfare. Duff Cooper's record seems effectively to dispose of this charge and suggests that Haig never had a thorough chance to show what he could do. It is not difficult to believe that had Haig been able to follow up the Somme advantage as he wished, putting constant, unrelenting pressure upon the Germans with all the forces at the command of the Allies; had he been able to convince the politicians of the different countries that the western front was the major theatre of the war and the place where the war was to be won, the history of the post-war world might have been different. The war might well have ended a year earlier, Russia might have been saved from revolution, the map of Europe would not have been what it is today. (Not that it couldn't have been worse). But when he was in supreme command of the British army in France there were always others, whom political chance had placed above him in power, who thought they knew more than Haig about the way to victory, always they had some influence. The Haig strategy was never tried, except in brief and winning spurts, until the closing days of the war when Foch fought the campaign as Haig would have fought it.

The Imperial Soldier

The other group of critics of Haig are those who charge him with a cool detachment from the personal horrors of war, of practical indifference to the human equation, as represented in the bitter life of the private soldier, of thinking of men killed and wounded as a teller thinks of the dollars in his ledger, something to be added up and made to balance. Duff Cooper gives but scant attention to the allegations that Haig was a cold and bloodless operator of the war machine. Duff Cooper is himself a soldier. He has the professional soldier's point of view; that wars are bloody and cruel and can not be made anything else; that if battles are to be fought men have to be used as bullets and food are used; which means that they must be sacrificed lavishly when an advantage is to be pressed; and economized, where economy is possible, not primarily because they are men with wives and families, but because they are soldiers who may be needed next week or next month and therefore should not be wasted today.

There was a tenderness in Haig's make-up which reveals itself in his relations with his family, his friends and a few selected fellow officers. Whether or not it extended to the private soldiers under him is not revealed by those extracts from his diary which Duff Cooper makes. To that extent the author has left open the door for further criticism of Haig. But perhaps it is not possible to write of military strategy in terms of humanitarianism. Wars are not fought for the advancement of civilization nor for the amelioration of human suffering. The greatness of a general is to be measured by the speed with which he achieves his successes and not by the tenderness of his messages to sorrowing relatives.

Amateur Strategists

Taking up the story of the western front operations from the conclusion of the Battle of the Somme, the author tells the story of Haig in his days of triumph. Chief among the problems Haig was doomed to face throughout the remaining years of the war was the constant attempt of politicians to dictate the course of the battle, to put political and diplomatic considerations above the single objective of winning the war and winning it quickly. Of one Lloyd George proposal, General Kiggell wrote to Haig that it was "heretical amateur strategy of the most dangerous and misleading kind" and this in brief was the view of Haig and his generals of most of the proposals advanced. Haig welcomed Lloyd George as prime minister in a spirit of friendliness. Lloyd George, on the other hand, never had faith in Haig. He distrusted him but did not dare to remove him.

Mid-war, Lloyd George tried to put the British army under the French commander, Nivelle, one of the great failures of the war. Haig and his officers decided that they must refuse, and would face court martial rather than submit. Yet in early 1918 it was Haig who urged the establishment of a general command under Foch. On both occasions Haig's viewpoint was impersonal, and was based upon his conception of the way to win the war.

Haig realized in 1916 and 1917 that his soldiers would be badly led under a joint command. In 1918, he saw that, unless there were a joint command the French would concentrate all their attention on saving Paris and would leave the British army isolated and holding the front line alone. This might have been fatal to the Allied cause.

Throughout 1917, that bloody but indecisive year, Haig was almost alone in recognizing that while things looked bad for the Allies they were actually worse for the Germans. He was anxious to press the attack before the Russian army broke up. But other leaders were pessimistic. They thought the Allies had lost or at best could gain a drawn decision. The French army had lost its spirit; Jellicoe, in the navy, was certain of an early British collapse. Lloyd George refused to permit a major effort lest it meant extinction for the army. All except Haig were for holding on with the minimum of losses until 1918, 1919 or even 1920, when the Americans could take over. Subsequently published records of the German generals make it pretty clear that Haig was right; that the war could have been won in 1917.

Duff Cooper publishes the armistice terms that Haig wished imposed upon the Germans; moderate ones compared to those which were actually delivered and subsequently incorporated in the nefarious Treaty of Versailles. Haig's advice was not asked once the war was over. He was not invited to the Peace Conference. The political bloodhounds who were in full hue and cry after Haig during the war turned their attention to the Germans. Haig was made an earl (in itself a snub; Lloyd George would have given him only a viscounty; the precedent of Wellington would have suggested a dukedom). He spent his post-war life organizing his soldiers for their protection against exploitation.

Haig was a commander of genius; of unrivalled military knowledge; inspired with faith in himself and in his God; honest, upright, clear thinking, entirely impervious to flattery or criticism, and quite incapable of holding a hate, or being unduly influenced by a personal friendship. Cool, detached, in matters military a pure machine. Major Duff Cooper has given us one of the great military biographies of the war in these two volumes; if he has not written the final estimate of Haig, he has at least made it possible for someone else to do it fairly and without the influence of the mean and venomous political attacks that have been made on Britain's great war marshal.

As Others See Us

Economy in Public Business
Barrie Examiner

"An extravagant and unwarranted pork barrel proposal" is the way The Financial Post describes the scheme now before Parliament to link Montreal with Albany via a canal. Surely Canada has learned its lesson regarding such public works. If politicians for their own ends are allowed to put over such an uneconomic proposition, it will be a sad blow to those who are honestly endeavoring to secure economy in public business so that Canada's affairs may be put upon a sound footing.

Our Previous Statement Stands
St. Catharines Standard

The Financial Post regrets the passing of "retired farmers," who were once the backbone of Ontario's smaller communities, and suggests that farmers are still retiring, "but there is a strong temptation for them to accept the safe pension of a relief check and it is to the relief rolls the new crop is going." The Post does not do itself justice with that observation. The retired farmer class of Ontario were always the good farmers, the men who made their farms pay and lived closely within their means and saved a competence. The few in the farmer class ready to seek and accept relief never were farmers in the first place, and the farm industry is better off without them.

Mr. Pogue's Magic Carbureter
Edmonton Journal

Canada has a well-equipped and expertly-manned research institute. Its staff of trained scientists are competent to test new and untried devices, as well as to conduct original scientific researches. When Charles N. Pogue, a Canadian, claims the invention of a carbureter with which an ordinary automobile may be driven 150 to 200 miles on a gallon of gasoline, it would seem logical that he should be able to submit his device to the National Research Council of Canada, confident that that body would give it a thorough and unbiased test and still preserve the secret of its operation.

Such an invention, if able to do all that is claimed for it, would be of tremendous importance to the people of Canada, a large percentage of whom operate motor vehicles. They deserve a reliable and disinterested report on such an invention.

These thoughts are aroused by a report in a recent issue of The Financial Post, of Toronto.

The actual plan of the device is a secret between Mr. Pogue and his backer, W. J. Holmes, and no one has been allowed to examine the working model in detail. But why not have such a disinterested and expert body as the research council pronounce on it and settle the matter one way or the other. The public is entitled to such information for very obvious reasons.

Greatest of All Factors
Moose Jaw Times-Herald

R. J. Deachman, M.P., political economist, has been looking over the annual reports of big corporations appearing in the financial papers. To him they appear to tell only the same old story—volume of sales, cost of production, dividends paid, reserves, profit and loss. He has written to The Financial Post to ask whether there is not something else due the public. He thinks the test of the successful operation of an industry should be its capacity to pass on to the public, in lowered selling price of the commodity produced, the gains from technical and mechanical improvements in the means of production. In support he quotes Alfred P. Sloan, president of General Motors: "Progress toward our objective is measured by our ability to reduce the real costs of goods and services."

The Post produces other support for Mr. Deachman's position. It refers to the Brookings Institution's study of income and economic progress.

This brings in the consumer, and Mr. Deachman adds him as a fourth to the long-recognized factors in production: land, labor and capital. With modern conditions he finds the consumer actually the greatest of all factors, for "without the consumer production cannot start and the attitude of the consumer to the product determines the volume of production, limits or expands the scale of profits and decides success or failure of the enterprise."

In agreement with this, The Post comes to a conclusion which, coming from big business Toronto, may surprise many: "Industries that are 'wedded to the conception of fixed prices, guaranteed by combines and tariff protection,' do not represent the true spirit of industrial progress on this continent."

In the Mail

(Not over 200 words, please)

Ontario Municipal Defaults

Editor, The Financial Post:

I am sending $2.50 for six months' subscription to your paper. I am 81 years of age but I hope to live another six months.

The articles "The Money Mystery" by Sir Norman Angell have interested me very much. Your information on investments has been valuable to me.

I have had the misfortune to purchase for the orphanages and workhouses of my city the debentures of Ford City, East Windsor and Riverside. The default of these municipalities is by far more damaging to the credit and reputation of Ontario than the Beauharnois affair. Your municipal debentures have become as speculative as mining shares. Steps have been taken to forbid their sale in the Province of Quebec. All the world recognizes the scandalous nature of the action taken in connection with the Beauharnois contracts, but the administration of affairs in the Border Cities has given quite as much concern to honest men.

—Letter from a Quebec Province minister.

The Wheat Situation

Editor, The Financial Post:

Within the past three weeks, I believe a dozen estimates have appeared in the public prints, as to the likely carryover of wheat in Canadian bins at July 31, 1936. These range from a high of "between 135 and 150 million bushels" in the Toronto Daily Star, to a low of 105 million bushels in the May issue of the Food Research Institute's "Wheat Studies." I presume that Canadian wheat carried in U. S. positions are included in those "guestimates?"

On every possible occasion, our mutual friend Broomhall advises us to quit our bold bad ways with Canadian wheat marketing. In The Post, June 6, he is quoted as saying: "The whole wheat question in Canada seems to have deteriorated into one of party politics, and we think the time is not far distant when the task of marketing the surplus will be restored to the legitimate trade."

I think that's a good idea—but it is only fair to suggest that there are other politicians and other governments deep in the wheat business.

The distribution of $30,000,000 annually to British wheat farmers—via the British loaf—with German Italian and French bread grain valued at two and three times Winnipeg valuations for No. 1 Northern, deserves the attention of all who favor getting the blundering hand of the government out of the wheat market.

Then, too, Mr. Broomhall should train his cereal guns on the United States, Argentina, Australia, and a whole string of other governments—at present knee-deep in the tariff, import or export quota, and currency-tinkering business, from the wheat angle.

WESTERN READER.

Toronto.

National Periodicals . . . .

Saturday Night, Toronto

The very difficult position in which the Canadian national periodicals have been placed by the introduction of free trade in magazines as a result of the reciprocity agreement has been partially, but only partially, remedied by the changes effected by the new budget.

Periodicals of course enjoy a sort of "natural" protection within any area to which they especially cater; so far, that is, as the reading tastes of that area are special, and are not equally catered to by periodicals from outside. With newspapers this protection is absolute; no Toronto newspaper experiences competition from any newspaper of Montreal, Winnipeg, New York or Buffalo, for the simple reason that the news interests of Toronto are to a very large extent special and are not catered to by any of these outside periodicals. But with magazines, especially of the kind largely occupied by fiction and "human interest" material, there is no such "natural protection" in Canada as against the American magazines, because there is very little special taste in Canada to which periodicals can cater as distinct from the taste of the United States in these same subjects. There is therefore both fiscal and mental free trade in Canada today as between Canadian and American magazines.

In this situation the Canadian market is entered by a vast number of American magazines which have paid no Canadian tax, and for the most part no American tax, on any element of their cost, while the Canadian magazines fighting for existence in the same market have still, even after the budget's concessions, to pay an 8 per cent sales tax on many of their materials and a substantial duty (or a correspondingly enhanced domestic price) on their paper and other items.

The government is obviously in a difficult position, what with its need for revenue and its desire not to bear too hardly on protected Canadian industries; but we hope that it will at least contrive to return the drawback on paper to the 80 per cent at which it stood before the Bennett tariff against foreign periodicals was enacted, instead of the 50 per cent now proposed.

Canada differs from most other countries in that — partly owing to its wide extent and partly to its provincial form of government — it has no national newspapers, its daily press being essentially and narrowly local. It would be a misfortune if its national weeklies and monthlies were seriously impaired in their strength and usefulness, in the interests of the weeklies and monthlies of a non-British nation.

Stop Me If You've Heard This One . . .

According to P. S. Shoemaker, of Pittsburgh, a new bond salesman was working on a prospect and the fellow asked him about the call feature of the issue he was offering.

"Oh," replied the lad. "You don't have to call for them. We deliver."

Week in Business

Rentals Show Gain To Levels of 1933

Living Costs Now 5 Per Cent Above Depression Low — Political Events Dominate Business News of the Week

Every six months Ottawa officialdom whips out a measuring rod and estimates the ebb and flow of rentals across the country. The May reckoning has just been completed and shows the average for all types of dwellings in Canada to be at the highest point since 1933. The index now stands at 83.8, which is 5.3 per cent greater than in May, 1934—the lowest point in post-war history. The basis for the index is 1926 equals 100.

Analysis of the new May figures shows that houses occupied by workingmen recorded a greater increase than did those of medium grade, the former being higher in price by 1.7 per cent, while middle grade dwellings rose 1.4 per cent. In both types, flats registered the greatest advance and apartments the least.

And tying these figures into the cost of living generally, the May record shows living costs still hovering about 4 per cent above the depression low. The Dominion Bureau index for May is 80.1 (1926 equals 100) compared with a low point of 77 in May, 1933. The greatest increase has taken place in food prices now shown as 18 per cent higher than the low point of 1933. Incidentally an independent reckoning by the Department of Labor places the cost of a workingman's family budget in May at about 6 per cent above the low mark of June, 1933.

* * * *

Provinces Go To People

Business news of the week came chiefly from the political front. Notable was the announcement of a new election in Quebec on August 15; a new election in Manitoba on July 27, and also the possibility of a quick appeal to the electorate in British Columbia.

Chief significance of the Quebec move is the sudden death of unsigned tax bills for various municipalities, including Quebec city and Montreal, and other legislation bearing on wage and labor conditions throughout the province. Though many business firms may momentarily breathe more easily in respect of sales and other municipal taxes, the broader implications of the Quebec elections are adequate reason for unrest on the part of scores of national and "extra-provincial" corporations doing business in that province.

* * * *

Republicans and Trade Pact

One other noteworthy political incident of the week was the inclusion in the Republican platform at Cleveland of a castigation of foreign trade agreements of a reciprocal nature. Since the attack was directed against present administration policy (such as paved the way to the Canada-U. S. trade pact) it might be taken fairly seriously were it not for the statements of such commentators as Walter Lippman who affirm that the policies vaunted at the convention by the "Old Guard" must not be confused with the real policies the party will pursue under the new leader—Landon.

Mr. Lippman intimates that although Landon is the new leader, his control of party affairs does not begin until after the convention has concluded. A return to power of Republicanism would doubtless find Congress considerably less friendly to trade pacts, but just what effect this would have on the Canadian pact remains to be seen.

* * * *

Businessmen Watch U. K. Parley

And with parliamentarians due to disband from Ottawa within a few days the centre of Canadian political interest will shift almost immediately to England where government officials are already preparing to discuss the terms of the next Canada-U.K. trade agreement.

Officially, it is improbable that any industrial or agricultural bodies will be asked to advise or assist the government at this stage of the deliberations. Unofficially there will be several important Canadian business leaders in agriculture, manufacturing, grain and milling who will make it their business to be in London at this time. And if all goes well, the new agreement may be cut and dried within the next few weeks. If not, there is still plenty of time before the Empire parley announced this week to follow the coronation in May, 1937.

Changes of the Week

Favorable

Carloadings recovered in the week ending June 6 after a holiday dip the previous week. The grain movement in the west is falling off but continues strong in Eastern Canada. Chief gains compared with a year ago were in the movement of merchandise and miscellaneous freight and in livestock.

Export trade in May made a phenomenal jump of almost 30 per cent. A major contributory factor was wheat exports which more than doubled on a dollar value basis to $21.7 millions compared with $10 millions in the same month last year.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	1935	Cumulative Total Jan. 1 to date 1936	1935
Transportation—				
Car loadings (June 6)	▲44,961	43,832	987,136	979,243
C.N.R. gross earn. (June 7)	$ ▲3,384,151	$ 2,941,943	$ 74,305,814	$ 69,371,653
C.P.R. gross earn. (June 7)	$ ▲2,387,000	$ 2,288,000	$ 53,471,000	$ 48,624,000
Business Conditions—				
Weekly index D.B.S. (June 6)	▲104.2	99.8	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions—				
Financial Post index (Apr.)	107.0	98.6	......	......
Transportation—				
C.P.R. net revenue (Apr.)	$ 1,337,457	$ 1,412,597	$ 4,165,161	$ 3,514,292
C.N.R. net revenue (Apr.)	$ 1,455,306	$ 1,526,995	$ 1,532,048	$ 2,008,694
Iron and Steel (April)—				
Pig iron production (tons)	54,045	43,388	225,141	169,790
Steel ingots and castings prod. (tons)	107,220	68,530	401,902	241,902
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Apr.)	17,264	15,401	35,744	33,480
Factory output (Apr.)	20,247	20,688	56,849	61,021
Trucks and Buses:				
Domestic sales* (Apr.)	3,394	2,766	7,470	6,351
Factory output (Apr.)	4,704	3,435	12,693	13,798
Exports (Apr.)	5,081	6,310	20,123	26,694
Construction—				
Building permits (Apr.)	$ 3,183,336	$ 6,300,046	$ 8,740,707	$ 14,807,316
Contracts awarded (May)	$ 14,962,800	$ 16,302,400	$ 56,905,100	$ 57,073,100
Newsprint (tons)—				
Production (May)	▲267,067	242,693	1,219,212	1,054,253
Exports, tons (April)	192,893	158,923	818,417	696,453
Sugar (lb.)				
Melting & shipments§ (raw)	92,560,733	80,171,459	207,081,288	197,493,501
Manufactured§	86,330,367	77,519,642	199,930,805	207,027,807
Flour (bbls.)—				
Production (Apr.)	1,009,464	965,765	4,182,210	3,978,227
Wheat flour exports (May)	▲448,653	383,221	1,861,001	1,813,384
Trade—				
Retail trade (index no. of sales) (Apr.)	70.7	69.5	......	......
Imports (April)	$ 42,320,032	$ 36,636,702	$ 177,272,737	$ 159,100,957
Exports (May)	$ ▲83,819,751	$ 65,498,251	$ 343,966,944	$ 291,528,044
Wheat exports (bush.) (May)	▲27,316,983	11,989,891	68,824,021	38,510,499
Employment, D.B.S. Index (May 1)—				
All industries	99.5	95.2	......	......
Manufacturing	102.7	95.6	......	......
Electric Power Output (April)—				
Total monthly (000's omitted)	2,163,717	1,881,029	8,327,769	7,640,773
Aver. daily	72,123	62,701	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (April)	107,949	63,866	348,141	327,848
Boot & shoe prod., pr. (Apr.)	▲2,065,587	2,026,464	7,525,384	6,875,185
Crude petrol. imp. gal. (Apr.)	54,142,896	40,446,492	220,312,161	197,617,650
Cotton imports, lb. (Apr.)	7,122,912	8,835,554	52,343,912	37,338,554
Raw rubber imp., lb. (Apr.)	2,416,012	2,380,166	14,662,284	17,923,674
Coal imports, tons (Apr.)	492,870	652,071	1,982,650	2,152,419
Finance—				
Bank debits (April)	$ 2,773,756	$ 2,366,725	$ 11,132,084	$ 9,373,616
Bond sales (April)	$ 104,655,000	$ 76,570,000	$ 499,047,114	$ 137,909,974
Life insurance sales (Mar.)	$ 31,664,000	$ 31,416,000	$ 96,125,000	$ 93,120,000
Automobile Financing—				
Used cars (Apr.)	$ 2,876,257	$ 2,123,201	$ 6,525,596	$ 4,707,853
New cars (Apr.)	$ 4,250,685	$ 3,250,246	$ 8,470,752	$ 6,794,688

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to May 16.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$5.75	$6.00	$7.50
Hogs	9.35	9.15	10.40
Copper, lb.	.09½	.09½	.09
Cotton, lb.	.1180	.1570	.12
Rubber, lb.	.1568	.1570	.1275
Sugar, raw, lb.	.0375	.0375	.0335
Silk, lb.	1.65	1.47	1.43
Wheat (Man.) bus.	.79⅞	.76¾	.80⅞
Coffee, lb.	.07	.07	.07⅛
Weekly Indices			
N. Y. Annalist	120.6	120.4	123.9
Fishers'	82.3	81.2	82.3
N. Y. Journal of Comm.	79.7	79.5	79.6
Crumps (Brit.)	68.0	68.2	65.0
U. S. Labor	78.4	78.2	80.2
Canada (D.B.S.)	72.0	71.8	71.7

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (May)	80.1	79.8	78.6
W'sale (May)	71.8	72.2	72.2
U. S. Labor (Mar.)	79.6	80.6	79.4
Gt. Brit. (Mar.)	91.7	91.7	86.9

Note: The base of indices is that 1926 equals 100. British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows. cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Many Want Franchises For New Brunswick Roads

Recent meeting of the Motor Carrier Board at Saint John, N.B., faced the heaviest agenda in its history, there being applications for franchises from 26 different companies. Most important was an application from Main Central Railway for permission to operate a daily passenger bus service between Saint John and St. Stephen, and an application from the Saint John Motor Line Ltd. to operate a service between Saint John and Fredericton.

Made-in-Canada Show Scheduled for Montreal

Ninth annual Produced-in-Canada Exhibition will be held at Montreal, Nov. 4 to 14.

Said to be the second largest annual exhibition in Canada and the largest devoted exclusively to Canadian products, the show will feature building and construction trade, furnishings, food industries, textiles and clothing manufacturers, office equipment companies, agriculture and other Canadian industries

Much Latitude Given Tourists

From Our Own Correspondent

OTTAWA. — The regulations covering the $100 exemption from duty granted Canadian visitors to the United States do not alter the original proposal in any important particular.

The beneficiary must make a detailed declaration of all purchases for which he claims exemption and if possible, produce invoices or sales slips. The exemption may cover repair jobs done while abroad.

Where purchases exceed $100 the exemption may be applied to those bearing the highest rates of duty.

Practically anything not prohibited entry into Canada may be brought back under the exemption. This, of course, does not include "pooled" purchases. A family cannot go to the United States and pool exemptions in order to bring back a new car.

More Records For Newsprint

Seasonal Shipments Boost Figures to Record Levels

From Our Own Correspondent

MONTREAL. — Shipments of newsprint from Canadian mills during May features the report of the News Print Service Bureau. Production totalled 267,067 tons and shipments 286,445 tons. The sharp gain in deliveries reflects, in part, the accumulation of stocks for the opening of navigation. A year ago the Canadian mills turned out 242,693 tons and shipped 251,009 tons.

Production in the United States last month was 75,719 tons and shipments 77,062 tons. This was less than a year ago when production totalled 84,323 tons and shipments 83,903 tons.

During May, 26,915 tons of newsprint were made in Newfoundland, as compared with 29,658 in May, 1935.

Total North American production for the month was 369,701 tons, as against 357,520 tons a year ago. This is the largest May production ever reported by the industry.

Well Ahead To Date

The first five months of 1936 Canadian mills produced 164,959 tons more than for the same period in 1935.

In Newfoundland production dropped off to 10,421 tons or 7.6 per cent. The decline was due to the break in operations at the International Paper Mill at Corner Brook, owing to a breakdown in the power supply. For North America, there was a net increase in production during the first five months of 143,892 tons or 9.1 per cent more than in 1935.

Stocks Are Substantial

The News Print Service Bureau report stocks of newsprint paper in Canadian mills at the beginning of May totalling 66,240 tons and at the United States mills 15,906 tons. This is in contrast with 102,867 tons on April 30, 1936, and with 71,314 tons at the end of May, 1935

Background of Business

Radios Now Licensed In 2 Out of 5 Homes

Ontario Shows Decline in Number Reporting — Holiday Pay — Studebaker Sales — Control of Toothpaste

Introduction of the new government bill for reorganization of the Radio Commission coincided this week with publication of official figures showing the number of and distribution of radio sets throughout Canada.

At the close of the fiscal year Ottawa reports 862,109 radios licensed in Canada or approximately one radio for every 2.6 families in the Dominion. The total is the highest ever recorded at Ottawa and is 6 per cent above the corresponding figure last year. Five years ago the number of licenses issued was but 559,000.

The increase in 1935 is due in part to continued improvement in the method of checking sales and ownership of radios and also to the increased sale of machines recorded during the year.

One feature of the returns is the considerable improvement in license figures for all provinces except Ontario. This reflects the fact that inspection and control of licensing probably reached its peak in that province earlier than elsewhere. Analysis by cities shows an actual decline in radio licenses in Toronto and Hamilton compared with increases in other leading cities.

Comparative figures follow:

(a)—By Provinces Fiscal Years:	1935-36	1934-35
Ontario	342,056	342,394
Quebec	221,702	204,096
British Columbia	80,215	70,759
Manitoba	56,986	52,928
Saskatchewan	49,049	41,573
Alberta	55,318	48,107
Nova Scotia	31,905	28,989
New Brunswick	22,347	20,194
Prince Edward Island	2,159	1,945
Yukon & N. W. T'ritories	372	350
	862,109	812,335
(b)—By Leading Cities		
Montreal	131,448	126,858
Toronto	92,280	97,967
Vancouver	41,371	34,921
Winnipeg	39,332	37,139
Ottawa	23,576	23,274
Hamilton	21,222	22,858
Edmonton	14,637	12,859
London	14,513	13,901

* * *

Holiday Pay

That Ottawa has no power to require companies to reimburse workers on statutory holidays is the dictum of Hon. W. L. Mackenzie King, replying recently in the House of Commons to a query.

"The legislative power possessed by parliament," said Mr. King, "to permit or require a day to be observed as a holiday does not include the power to legislate respecting the terms of contracts of employment on that day. Legislation so requiring wages to be paid would relate essentially to property and civil rights in the provinces, falling exclusively within the jurisdiction of the provincial legislature, and any such legislation passed by parliament would constitute a tolerable attempt to invade the provincial field of legislative power."

* * *

Studebaker Sales

An increase of 24 per cent in dealer purchases of Studebaker cars throughout Canada during May compared with a corresponding figure last year is reported by M. S. Brook, vice-president and general manager, Studebaker Corp. of Canada Ltd. Shipments during the month were reported to maintain approximately the same rate of increase over a similar period last year as in the preceding four months.

Sales for the Prairie Provinces, particularly Alberta and Saskatchewan, considerably exceeded sales for more than five years.

* * *

Toothpaste Control

Adoption by Pepsodent Co. of a price control plan for tooth paste has created wide comment in drug circles The plan involves the repurchase of all outstanding goods in the hands of wholesalers and the appointment of a selected list to serve as Pepsodent factors or sales agents. In addition, the company has announced a 10-cent reduction in the list price of its 50-cent tube of tooth paste and the addition of a new 25-cent size.

The new policy is said to feature: (1) A narrowing of the gap between net prices available to larger buyers who purchase direct and those on smaller quantities available through the wholesale factors; (2) a guaranteed profit of 38 per cent at new list prices and of 23 per cent at new minimum prices.

The new proposal is termed by Business Week a "del credere" plan pioneered by General Electric more than 10 years ago to achieve price maintenance and avoid anti-trust laws. Keystone of the plan is apparently the special relationship which is created between the manufacturer and the wholesaler factor.

* * *

U. K. - U. S. Trade Pact

Though Great Britain and United States are making a survey of commodities and tariffs with a view to a trade agreement, two important obstacles are said to stand in the way —namely, the Ottawa agreements and war debts.

Whaley-Eaton Service suggests in respect of war debts that a reduction in U. S. tariff rates would go far toward removing the strongest arguments for non-payment of the debt and might possibly influence an offer which would prove acceptable to the American treasury.

Meanwhile, majority opinion is that no such agreement can be consummated until the future of the Ottawa agreements has been decided.

* * *

New Sales Plan

A plan of major importance to protect profits of small retailers and inaugurated by Zonite Sales Corp. is creating wide interest in drug circles in the United States. The plan has three main features,

(1) Extension of buying privileges to merchants ordering in quantities as little as one-twelfth of a dozen.

(2) Application of the plan in the form of dividend certificates representing a claim for a specified amount of free merchandise for every purchase.

(3) A consignment plan of distribution through wholesale agents similar in effect to other plans now or previously in use.

Thus, retailers purchasing through wholesalers in units of as little as one-twelfth of a dozen receive a "dividend certificate," entitling them to one-sixth of a unit in free merchandise. When through successive purchases of large quantities on the same order, the retailer has accumulated 6 certificates, he is automatically entitled to a free unit of merchandise. In addition, regular discounts for quantity purchases apply, ranging from list to 8 per cent for original shippers.

* * *

How It Works

Taking Forhan's toothpaste as an example, the retailer buys at list price, sells at the suggested minimum price of 34 cents a tube, and gets a dividend certificate equivalent to 5½ cents per tube. Sales effected at higher than minimum suggested prices earn a correspondingly larger profit per tube.

The step was taken in an attempt to extend equal opportunities to all to sell their products at competitive prices and with legal profit.

* * *

Oppose 40-hour Week

Delegates of the Canadian Manufacturers' Association to the International Labor Congress at Geneva had been instructed to vote solidly against 40-hour week proposals according to a report made at the annual meeting of that body in Quebec last week.

Referring to the proposal for an international convention laying down the principle of a reduction of hours to 40 per week in the textile, iron and steel, building and civil engineering industries, as well as in coal mines and public works, the Industrial Relations Committee reports the views of C.M.A. members as follow:

"Even if the 40-hour week were adopted universally throughout the world, which was at the present time unthinkable, it would not achieve the desired end of helping to relieve unemployment, but, on the contrary, would tend to increase unemployment, inasmuch as it would tend by increasing costs, and therefore prices, to reduce sales and therefore employment."

* * *

Bacon Eaters Strike

Bacon consumption in the Old Country is apparently on the decline as a result of the higher prices in the last few years, says Canadian Grocer. The trade is blaming the situation on the government's control policy whereby home production has been subsidized by tariffs and also because of the quotas extended to the British Dominion.

While the latter has helped Canada, prices to the consumer have gone up and curtailed consumption.

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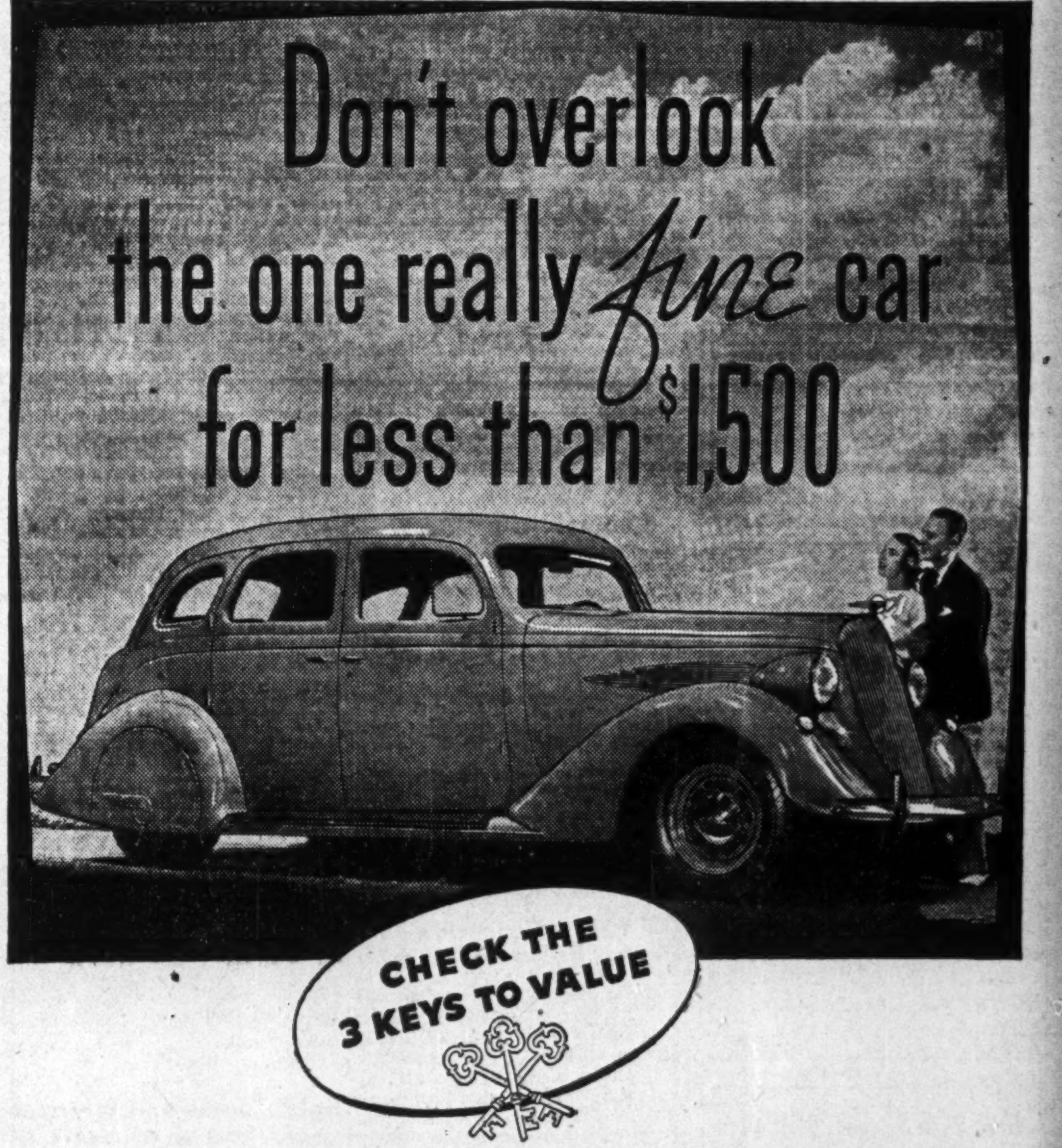

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Company Reports

Fernie Brewing Co.

Brewery Investments, Ltd., Calgary, analyzes the consolidated net profits of Fernie Brewing Co., after depreciation and taxes, and of its subsidiary, Cranbrook Brewing Co., at $30,657, which is equivalent to 93 cents a share on 32,752,$10 par value shares of common stock outstanding. A dividend of 6 per cent is payable on July 2, to shareholders of record June 17. The initial dividend of the company was paid at the rate of 2½ per cent July 1, 1934, and 5 per cent on July 1, 1935. The Fernie Fort Steele Co. paid dividends of 12 per cent for 8½ years prior to the formation of the present company in April, 1933.

The Financial Post has already shown net unconsolidated earnings for the Fernie Brewing Co. at $29,011, as shown on the official balance sheet. Brewery Investments shows the consolidated working capital as follows:

Consolidated Working Capital Account

	Mar. 31 1936 $	Mar. 31 1935 $
Current assets	148,249	120,700
Current liabilities	20,172	18,495
Working capital	128,077	102,205
Unconsol. working cap..	84,556	102,204

The analysis states that during the three-year period working capital has been increased by $90,000. The old Fernie Fort Steele Co. was successful in building up a working capital equal to 100 cents on the dollar of its capitalization, over a period of 8½ years. In line with the increased earning power, the dividend rate has been increased to 6 per cent. The Fernie figures are as at March 31, 1936, and the Cranbrook Brewing figures as at December 31, 1935. An adjustment has been made, therefore, in the consolidated calculation to take into account the dividend of $10,400 paid by the Cranbrook Co. following the close of its year.

Ontario Silknit Co.

Ontario Silknit Co. earnings for the first 9 months of 1935 increased in volume of sales and operating profits while the last three months showed a small operating loss. English operations were down in 1935, but have been recovering so far in 1936.

Cons. Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Oper. profit	*265,990	255,602
Depreciation	88,314	79,635
Amort. leasehold	998	584
Mortgage interest	4,879	5,315
Directors' fees	2,032	1,200
Prov. for inc. taxes	33,807	37,182
Exch. adjust.†	19,550	23,792
Loss—Dis. cap. assets	......	9,759
Net profit	116,410	98,135
Preferred dividends	70,000	20,000
Surplus for year	46,410	78,135
Previous surplus	228,509	150,374
Surplus forward	274,919	228,509

* After expenses including executive salaries of $102,800 and legal fees of $6,150.

† Arising from conversion of assets and liabilities of Australian and English subsidiaries to Canadian currency for purpose of including in parent company's balance sheet.

Earns. per Share and Divd. Record:

Preference: Earned	$11.64	$9.81
Paid	7.00	2.00
Common: Earned	1.15	0.70

Working Capital

	1935 $	1934 $
Working capital‡	685,219	700,595

‡Current assets of $1.3 millions were 43 per cent net assets of Australian and English subsidiaries at current exchange rates. Current liabilities of $644,405 included bank loan of $162,194. Notes payable in connection with acquisition of English company was $66,956.

Paramount Pictures

Paramount Pictures earnings in the first quarter of 1936 are lower than the same quarter of 1935.

Estimated Quarterly Earnings

	3 mos. ended Mar. 31, 1936 $	3 mos. ended Mar. 31, 1935 $
Operating earnings	*1,058,627	2,405,000
Divds. from non-consol. subs.	174,749	77,000
For. exch. adjust.	21,767	......
Total revenue	1,255,143	2,482,000
Less: Est. inc. taxes	143,677	440,000
Deb. interest	392,544	400,000
Res. for losses of inactive cos.	......	170,000
Est. net profit	718,922	1,472,000

*After applying $800,000 of the inventory reserve, set up as at Dec. 28, 1935.

Photo Engravers

Net profits shown by Photo Engravers & Electrotypers, Toronto engraving firm, were the equivalent of $1.45 a share on the 30,000 shares of common stock in the year ended Feb. 29, 1936. In the preceding year, profits were $1.71 a share. As forecast in The Financial Post, bank loans have been paid off. Working capital shows an increase of nearly $84,000. Dividends are being continued at $1 a share annually.

Income and Surplus Account
Years Ended Feb. 28

	1936 $	1935 $
Net earnings	181,317	157,503
Less: Depreciation	96,588	95,390
Executives remun., legal & directors' fees	32,790	*
Income taxes	8,416	10,752
Net profit	43,523	51,201
Less: Dividends	30,000	30,000
Surplus for year	13,523	21,201
Add: Prev. surplus	262,692	243,530
Less: Adjustments	3,145	2,039
Surplus forward	273,070	262,692

*Deducted prior to showing net earnings.

Working Capital

Current assets	237,468	213,410
Current liabilities	38,822	98,671
	198,646	114,739

Niagara Wire

Net profits of Niagara Wire Weaving for the year ended March 31, 1936, show an increase of approximately one-third over those in the previous twelve months. The improvement was due to better conditions in the newsprint industry.

The balance sheet as of March 31 last does not show any material changes. Investment in government and corporation bonds shows a moderate decline, which is more than compensated by an increase in fixed assets.

Income and Surplus Account
Year Ended March 31

	1936 $	1935 $
Net profit*	210,375	164,034
Less: Pfd. dividends	47,739	81,000
Com. dividends	110,000	40,000
Surplus	52,636	43,034
Previous surplus	125,182	82,148
Surplus forward	177,818	125,182

* Including income from investments and profit from sale of investments and capital assets, and after providing for all expenses, depreciation and income taxes.

Working Capital

	1936 $	1935 $
Current assets	812,315	797,710
Current liabilities	168,174	145,297
Working capital	644,141	652,413

Canadian Wallpaper

Profits of Canadian Wallpaper Manufacturers Ltd. declined slightly in the year ended April 30, 1936, net profit being equivalent to $1.68 a share on the class A and class B stock, compared with $1.87 in the 1934-35 fiscal period.

In the general balance sheet of Canadian Wallpaper Manufacturers, dividends declared by subsidiary companies are shown at $498,090 of which $214,675 has been received on account, leaving a balance receivable of $283,415.

While the general balance sheet shows $168,000 of 7 per cent bonds outstanding these are all held by subsidiary companies and as a result disappear as a liability in the consolidated balance sheet.

Income and Surplus Account
Years Ended April 30

	1936 $	1935 $
Oper. profit	52,995	51,532
Earn. of subsids.	*206,927	†235,344
Net earnings	259,922	286,876
Less: Salaries & exps.	29,176	27,552
Deprec. on office furniture	482	429
Bond interest	12,425	16,415
W/o on invest.	......	882
Net profit	217,839	241,598
Less dividends paid	161,557	96,934
Surplus for year	56,282	144,664
Add prev. surplus	452,854	308,190
Bal. carried forward	509,136	452,854

† By profits of subsidiary companies after providng $69,145 for depreciation of buildings and plant.

* Dividends declared by subsidiary companies totalled $498,090 from which is deducted $291,163, the proportion thereof already included in undistributed profits account at April 30, 1935.

Working Capital
As at April 30

	1936 $	1935 $
Current assets	1,613,368	1,479,373
Current liabs.	192,371	167,966
Working capital	1,420,997	1,311,407

Newfoundland Power

Newfoundland Light and Power Co. reports a further increase in operations and earning power during 1935. According to a preliminary statement issued by the company's bankers, gross earnings from operations last year totalled $587,261 as against $577,593 in the previous year. The balance sheet for last year has not been made public.

The number of customers served at the end of 1935 was 8,468, as against 8,247 a year ago.

Income and Surplus Account
Year Ended December 31

	1935 $	1934 $
Gross revenue	577,593	587,261
Less: Exps. & taxes.	234,307	231,056
Net revenue	343,286	356,205
Less: Depreciation	80,000	80,000
1st mort. int.	†	*104,965
Gen. mort. int.	†	*22,500
Surplus for year	263,286	148,740

* On basis of present capital set-up.

† Not available.

International Power

Subsidiary companies of International Power Co. reported an increase of nearly $500,000 in gross earnings in 1935, while net operating revenues were up $271,344. Consolidated account shows net income available to International at $1.1 millions, as against $844,503 in the previous year. Net profit available for dividends on the preferred stock amounted to $608,513, compared with $526,233 in 1934. During the year the company paid out $240,000 in dividends.

The consolidated balance sheet shows that in 1935 funded debt of subsidiaries was reduced $232,000 and bank loans in Canada by $600,000. Canadian bank loans now stand at $825,000 and Venezuelan bank loans at $629,795. The latter show little change.

Consolidated Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Gross earnings	5,024,558	4,541,910
Less: Expenses	2,450,256	2,245,702
Sub. directors' fees.	6,750	......
Subsidiary net earn..	2,567,552	2,296,208
Less: Subsid. int.	463,771	492,254
Subsid. divds.	97,218	99,040
Depreciation	773,625	605,000
Contingencies	90,000	......
Minority int.	29,647	27,263
Bond disc.	24,308	20,017
Add: Misc. net int.	18,707	*208,131
Net income	1,107,688	844,503
Less: Int. on loans	84,236	318,270
Expenses	40,065	......
Exchange loss	37,742	......
Debt discount	12,606	......
Add: Int. from sub.	113,067	......
Net profit	608,513	526,233
Prev. surplus	1,428,555	†902,323
Less: Pref. divid.	240,000	......
Surplus forward	1,797,068	1,428,556

*Debit. †Adjusted.

Robin, Jones and Whitman

Robin, Jones and Whitman experienced an operating loss at the end of February 29, 1936, of $41,905 as against a profit of $40,735 in the previous year. The sharp decline in earnings was due to adverse conditions which prevailed in the dried fish trade. However, outlook for the company is somewhat better in view of considerable reductions in the Icelandic and Norwegian production and the prospective decrease in the Newfoundland catch of fish.

The balance sheet shows that a secured bank loan and overdraft was reduced during the year from $67,362 to $1,788. There is no change in the outstanding funded debt.

Income and Surplus Account
Years Ended

	Feb. 29 1936 $	Feb. 28 1935 $
Operating profit	*655	......
Less: Other income	252	......
Add: Exec. salaries	19,580	......
Legal fees	155	......
Gross revenue	*20,138	40,735
Less: Bond interest	10,804	11,096
Depreciation	10,212	31,102
Directors' fees	750	750
Loss for year	*41,904	*2,214
Previous surplus	295	2,509
Trans. from reserve	50,000	......
Surplus forward	8,391	295

*Deficit.

Working Capital

	1936 $	1935 $
Current assets	516,022	608,167
Current liabilities	22,719	85,170
Working capital	493,303	522,997

THE LONDON AND WESTERN TRUSTS CO. LIMITED
Established 1896
Executors, Administrators, Etc.
Offices at: London, Toronto, Windsor
Winnipeg, Vancouver.

Porto Rico Power

Porto Rico Power Co.'s financial statement for 1935 shows a marked improvement in net operating profit. The amount available for dividends was not as large as in 1934. This was due to an increase of $104,000 in the reserve for depreciation and the setting aside of $90,000 for contingencies.

The balance sheet shows a reduction of $101,000 in outstanding first mortgages and $25,000 of debentures. During the year $200,000 of 6 per cent 20-year debentures were sold and the proceeds applied against bank loans which show a reduction for the year of $300,000 and now stand at $375,000.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Net operating profit.	*1,001,918	833,670
Less: Bond interest	177,399	182,985
Other interest	19,845	22,333
Directors' fees	5,000	5,000
Depreciation	304,125	200,000
Debt discount	12,417	11,890
Contingencies	90,000	......
Net profit	393,132	411,462
Less: Pfd. dividends	70,000	70,000
Com. dividends	240,000	240,000
Surplus	83,132	101,462
Previous surplus	938,146	929,516
Less: Bond discount	......	92,832
Surplus forward	1,021,278	938,146

*After payment of $12,450 legal fees and $31,557 executive salaries.

Working Capital

	1935 $	1934 $
Current assets	836,566	1,027,424
Current liabilities	866,584	1,146,263
Working capital	†30,018	†118,839

†Excess of liabilities.

International Telephone & Telegraph Co.

International Telephone & Telegraph Co. gross and net earnings for the first quarter of 1936 show a marked advance over the same period of 1935.

Consolidated Income Account
For Three Months Ended Mar. 31

	1936 $	1935 $
Gross income	13,662,225	12,447,903
Operating exp.	9,631,266	8,601,319
Net earnings	4,030,959	3,846,584
Int. & other deduct..	979,772	1,175,389
Bond interest	1,442,437	1,442,437
Net income	1,608,750	1,228,758

Atlantic Sugar

Atlantic Sugar Refineries Ltd., Saint John and Montreal, reports net profits of $596,571 in 1935 after all charges. This is equivalent to $53.70 a share on the 11,111 class A preference shares. After dividends of $7 a share on this stock, profits were the equivalent of $3.24 a share on the 160,000 common shares.

The current report shows no class B preferred shares outstanding. There were supposed to be 40,000 of these shares, callable at 100 and carrying a dividend of $7 a share each. Since The Financial Post has not received statements for each year since 1931, it is not clear that these shares were issued and when redeemed.

Income and Surplus Account
Year Ended Dec. 31, 1935

	$
Operating earnings	1,079,765
Less: Exec.'s and legal remun...	59,420
Directors' remuneration	6,645
Add Investment income	22,312
Net earnings	1,036,012
Less: Bond interest	5,787
Debenture stock interest	45,555
Depreciation provision	285,221
Prov. for income taxes	102,878
Net profit	596,571
Less: Pref. dividends	77,777
Surplus for year	518,794
Add: Prev. adjusted surplus	1,763,404
Earned surplus forward	2,282,198

Working Capital

Current asseas	2,162,375
Current liabilities	288,118
Working capital	1,874,257

Whittall Can

Whittall Can Co.'s financial statement for the year ended February 29, 1936, the first issued since control passed to Continental Can Co., shows net income of $375,593, as against $333,905 in the preceding twelve months. Net profit available for dividends at $239,199 was about $25,000 greater than in 1935.

The balance sheet shows a number of important changes consequent upon the change in control. The company's investment in Associated Quality Canners was disposed of during the year and the guarantee in respect of that company's bank loan was paid. These transactions resulted in reducing a combined earned and capital surplus account of $552,079 as at February 28, 1935, to a deficit of $869,992 at the end of the last fiscal year. Among liabilities is a loan of $2,185,500 from the Continental Can Co. All of the preferred stock, amounting to $1.9 million, was reduced during the year, so that the only capital liability which the company now has outstanding is the common stock.

Income and Surplus Account
Years Ended

	Feb. 29 1936 $	Feb. 28 1935 $
Operating profit	418,373	......
Less: Exec. salaries	61,050	......
Legal fees	3,099	......
Operating revenue	354,224	325,749
Add: Bond interest	7,530	4,938
Profit bonds sold	14,614	81
Life insur. divd.	......	3,537
Less: Directors' fees	775	400
Net income	375,593	333,905
Less: Depreciation	81,934	73,061
Income taxes	55,000	46,565
Preferred divds.	......	123,500
Surplus	239,199	90,759
Previous surplus	182,078	41,734
Add: Excess prov. sub...	......	73,684
Less: Pfd. divds. to red.	346,370	......
Reorgan. expenses	6,982	......
Sub. deficit	......	24,099
Surplus forward	67,925	182,078

Working Capital

	1936 $	1935 $
Current assets	787,452	870,179
Current liabilities	201,876	118,221
Working capital	585,576	751,958

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Can. Celanese Issues Stocks

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announce the listing of 10,000 shares of 7 per cent cumulative participating preferred shares of $100 par value and 10,000 shares of common stock of no par value Canadian Celanese Co.

These shares have been optioned. When sold, the company's listing on the Montreal Exchange will cover 100,000 shares of preferred stock and 260,409 common shares.

Confirms Building Report

The additional listing confirms the report that Canadian Celanese is contemplating an addition to its plant at Drummondville. Operations at that point have found demand greater than the supply.

A contract has been entered into between Canadian Celanese and Nesbitt Thomson and Co. whereby the latter purchased all of the additional preferred and common stock.

Under the agreement, Nesbitt Thomson Co. were obligated to take up and pay on June 15, 5,000 shares of the preferred and 5,000 shares of the common stock. The remaining preferred and common shares are to be taken up by September 1 next.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at

Beaupré, Que.	Sault Ste. Marie, Ont.
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THE STATEMENTS CONTAINED HEREIN ARE BASED UPON INFORMATION WHICH WE BELIEVE TO BE RELIABLE BUT ARE IN NO EVENT TO BE CONSTRUED AS REPRESENTATIONS BY US.

New Issue

40,000 Shares

The Brantford Cordage Company,
Limited
(Incorporated under the Laws of the Dominion of Canada)

Cumulative Redeemable Sinking Fund
First Preference Shares
($25.00 par value)

CAPITALIZATION
(Upon completion of present financing)

	Authorised	To Be Presently Issued
Cumulative Redeemable Sinking Fund First Preference Shares ($25.00 par value)	40,000 Shares	40,000 Shares
		Issued
Second Preferred (Cumulative Redeemable) Shares ($25.00 par value)	34,000 Shares	34,000 Shares
Common Stock without nominal or par value	80,000 Shares	80,000 Shares

There are now outstanding 55,095 Shares of First Preferred Sinking Fund Cumulative Participating Stock, ($25.00 par value each) which have been called for redemption on July 15th, 1936.

The Cumulative Redeemable Sinking Fund First Preference Shares are to be fully-paid and non-assessable; preferred as to capital and dividends; carrying fixed cumulative preferential dividends when and as declared by the Board of Directors at the rate of $1.30 per share per annum, payable at par quarterly (15th January, April, July and October) at any branch of the Company's bankers in Canada (Yukon Territory excepted); redeemable as a whole or in part pro rata at $26.50 and accrued dividends per share on 45 days' prior notice, or the Company may purchase shares for redemption and cancellation at not exceeding $26.50 per share and accrued dividend plus costs of purchase or may so purchase in anticipation of future sinking fund requirements. Any such shares so purchased may be applied in satisfaction of future sinking fund requirements (hereinafter referred to) at the actual cost thereof. Provision is made for setting aside as a sinking fund commencing December 1st, 1936, and annually thereafter on or before 1st December in each year, a sum which shall not exceed the net earnings of the Company for the preceding fiscal year, after payment of the First Preference Shares dividend at the rate of $1.30 per share per annum, and payment of all accrued dividends thereon, but before any dividend is paid or set apart for payment on the Second Preferred Shares or on the Common Shares, but subject thereto, shall be not less than 50 cents for every First Preference Share which shall have been issued at any one time whether or not then outstanding. Such sinking fund shall be used for the purpose of redeeming First Preference Shares by purchase in the market at a price not exceeding $26.50 per share and accrued dividends, plus costs of purchase. To the extent that First Preference Shares cannot be so purchased at such price the Company shall not be obliged forthwith to apply the amount set aside as a sinking fund or the unexpended balance thereof to the retirement by call of First Preference Shares, but may carry the same on its books in a special sinking fund reserve account to be used from time to time to purchase First Preference Shares until the aggregate of the amount so carried in such account from time to time shall equal or exceed the sum of $50,000, when the Company shall call for redemption as many of its First Preference Shares as can be redeemed at the redemption price applicable thereto by the application of the balance standing at the credit of the said sinking fund reserve account.

Transfer Agent: The Toronto General Trusts Corporation, Toronto.
Registrar: National Trust Company Limited, Toronto.

W. M. Messecar, Esq., President and General Manager of The Brantford Cordage Company, Limited, has informed us as follows:

BUSINESS: The Brantford Cordage Company, Limited, was incorporated in 1925 to take over the undertaking and business of a company of the same name incorporated in 1903. The plants of the Company are located at Brantford, Ontario, and comprise three separate units, occupying approximately 7½ acres. The Company is the largest manufacturer of binder twine in the British Empire, selling approximately two-thirds of its output for Canadian consumption and exporting the remainder.

Notwithstanding the fact that the period since the inception of the present Company has included some of the most difficult business years in the present century and highly competitive conditions in the industry itself, dividends on the oustanding First Preferred Stock of the Company have been paid without interruption, 24,905 shares of First Preferred Stock retired through the operation of the Sinking Fund, the plant maintained in an efficient operating condition and a substantial addition made to the working capital of the Company, which is now being drawn on to effect a further reduction of 15,095 shares of the First Preferred Stock and to provide for the premium in calling the balance of the outstanding First Preferred Stock which is being retired through this new issue of 40,000 First Preference Shares.

ASSETS: According to the Balance Sheet of The Brantford Cordage Company, Limited, as at March 31st, 1936, as reported upon by Messrs. Glendinning, Gray & Roberts, adjusted to give effect to (1) the redemption of 55,095 Shares of First Preferred Sinking Fund Cumulative Participating Stock, at that time outstanding; (2) the issue of 40,000 Cumulative Redeemable Sinking Fund First Preference Shares; (3) the issue of Supplementary Letters Patent reducing the stated capital value of 80,000 Common Shares and the writing down of Trade Marks, Patent Rights and Goodwill by the amount of such reduction and by the amount of the Capital Surplus and (4) the estimated expenses in connection with the foregoing, the total net assets were as follows:

Fixed Assets: Land, Buildings, Machinery, Equipment, (on basis of appraisal, March 1st, 1925, by Lockwood Greene & Co. of Canada, Ltd.) plus subsequent additions at cost	$1,191,816.76	
Less: Reserve for Depreciation on Fixed Assets	826,324.16	
		$ 365,492.60
Current Assets	$1,586,689.66	
Less: Current Liabilities	73,310.87	
		1,513,378.79
TOTAL NET ASSETS (excluding Trade Marks, Patent Rights and Goodwill)		$1,878,871.39

Equal to $46.97 for each Cumulative Redeemable Sinking Fund First Preference Share ($25.00 par value) to be presently outstanding.

PROFITS: The Net Profits of The Brantford Cordage Company, Limited, as reported upon by Messrs. Glendinning, Gray & Roberts, based upon their examination for the three years ended August 31st, 1935, and on the auditor's reports signed by the late Arthur K. Bunnell, Chartered Accountant, for the eight years ended August 31st, 1932, after deducting all expenses including adequate provision for depreciation on fixed assets, after allowance for interest on amounts withdrawn in connection with the present refinancing and after provision for income taxes adjusted to 1936 rates, were as follows:

Fiscal Year ended August 31st	Profits from operation after deducting all expenses and allowance for interest on amounts withdrawn in connection with present refinancing but before providing for Depreciation and Income Taxes.	Depreciation on Buildings, Machinery and Equipment	Provision for Income Taxes adjusted to 1936 rates	Net Profits available for Dividends on First Preference Shares
1925	$725,163.24	$38,383.08	$116,752.60	$570,027.56
1926	391,965.21	77,124.14	53,522.97	261,318.10
1927	*82,150.82 Loss*	76,317.39	Nil	*158,468.21 Loss*
1928	221,473.53	77,908.01	24,406.05	119,159.47
1929	516,113.74	81,286.32	73,920.59	360,906.83
1930	423,483.33	80,344.29	58,333.63	284,805.41
1931	83,706.32	82,019.73	286.62	1,399.97
1932	158,877.19	82,088.87	13,053.96	63,734.36
1933	186,943.30	83,723.04	17,547.40	85,672.86
1934	335,518.35	83,932.79	42,769.45	208,816.11
1935	351,696.25	83,936.55	45,519.03	222,240.67

Yearly average net profits on the above basis for the period of eleven years .... $183,601.19 which is at the rate of 3.53 times the annual dividend requirements on the 40,000 shares of Cumulative Redeemable Sinking Fund First Preference Stock to be presently issued.

For the year ended August 31st, 1935, net profits on the same basis were .... 222,240.67 which is at the rate of 4.27 times the annual dividend requirements on the 40,000 shares of Cumulative Redeemable Sinking Fund First Preference Stock to be presently issued.

PURPOSE OF ISSUE: The proceeds of this issue will be used to reimburse the Company in part for expenditures in retiring its presently outstanding First Preferred Sinking Fund Cumulative Participating Stock, called for redemption on July 15th, 1936.

MANAGEMENT: The same management which has been responsible for the success of The Brantford Cordage Company, Limited, in recent years, continues in active direction of its affairs.

We offer the shares of this issue if, as and when issued by The Brantford Cordage Company, Limited, and accepted by us and subject to the approval of all legal details by Messrs. Blake, Lash, Anglin & Cassels, Toronto.

PRICE: $24.50 per share, yielding 5.30%.

Dividends on shares of this issue accrue from July 15th, 1936.

Certificates are expected to be ready for delivery on or about August 4th, 1936.

The right is reserved to reject any or all applications and also in any case to award a smaller amount than is applied for.

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Maple Leaf Milling

I would appreciate your views as to the advisability of disposing of Maple Leaf Milling Co. first mortgage (2¾'s-5½'s) bonds due June 1, 1949.

Conditions in the flour milling industry continue adverse partly because Canadian millers find it difficult to compete in the export trade due to higher freight rates on flour than on wheat shipped to their competitor millers abroad.

However, Maple Leaf Milling Co. has shown some improvement in earnings in the past year and hopes to be able to show the cash 2¾ per cent on the first mortgage bonds earned, after depreciation, in the year ending July 31. As yet, there is no assurance the cash interest will be earned, but it is probable that it will.

If you sell your bonds at 46, the cash realized would not be sufficiently large to give you much scope for reinvestment on a 6 per cent basis. That is, you would be selling a 2¾ per cent cash income on a 6 per cent basis, without making any allowance for possible value in the class A shares that you receive for the other 2¾ per cent interest on the 5½ per cent bonds.

From time to time there are signs of improvement in the milling industry, and while Maple Leaf Milling Co. is doing a little better, it has not made sufficient progress to warrant optimism. Nevertheless, if Canadian millers find themselves getting back substantial volume in the export trade, earnings might rise more than proportionately.

Brantford Cordage

I own some Brantford Cordage preferred stock. Having taken many bumps during the past 6 years, I am trying to invest very carefully what little money I have available, and wonder if I should convert the money invested in these shares into the new issue, or if it would be better to apply it to my Canadian government annuity. Will you please tell me if you think that the new stock is a safe investment?

In any event, you are not entitled to subscribe the full amount of your money for new shares in Brantford Cordage. As you probably know, the company suffered a couple of very bad years in the depression, but since earnings have recovered very sharply. Last year the dividend on the new issue would have been covered 4.3 times, which is a very comfortable margin.

The company has always been well managed, but depends almost entirely on the sale of one product—binder twine—for its earnings. Your investment in the former 8 per cent shares must have been successful, and there is no reason to suppose that the yield of 5.3 per cent on the new stock should not prove attractive. However, since you will receive a portion of your funds in cash anyway, you could probably compromise by putting the cash part of your redemption money into your government annuity.

Loblaw Groceterias

I would appreciate your comments on Loblaw Groceterias Co.

Loblaw Groceterias Co. has increased its earnings and dividends through the depression and has just closed another successful year. The company is regarded as one of the foremost grocery marketing organizations in North America, or, indeed, in the world.

Dividends of $1 a share are now being paid, and although not earned by any too wide a margin, can be maintained even if no further improvement in earnings is shown. The company's ability to raise its dividend to the highest level on record in the period of depression and recovery is undoubtedly impressive.

Alexandra Apartments

Has there been any reorganization of Alexandra Apartments Ltd. recently? Is it continuing to pay bond interest, and what is the price of the bonds? Has any stock been allotted to bondholders?

The only reorganization in connection with Alexandra Apartments Ltd. has been an adjustment with regard to the sinking fund of the first mortgage bonds. At a meeting in December, 1935, bondholders authorized the trustees to refrain from acting on the default of the company in respect to sinking fund payments due in May, 1933 and 1934, and to refrain from any action under such default unless requested in writing by holders of at least 25 per cent of the outstanding bonds.

The trustee was also given permission to release to the company all funds at present held by it on account of sinking fund and all bonds now held for sinking fund are to be cancelled. Beginning with the year 1935 and continuing so long as any bond remains outstanding, the sinking fund is to consist of the payment annually on or before September 1 in each year of an amount equivalent to net surplus earnings for the preceding fiscal year. Net surplus earnings, as defined, are before provision for depreciation.

The above concessions are not to be made by bondholders until the second mortgage, dated May 15, 1925, has been discharged, and adjustments made by Trusts and Guarantee Co., which owns approximately 94 per cent of the outstanding capital stock of the company. Under the plan, the Trusts and Guarantee Co. is to issue to bondholders one share of common stock for each $500 bond held. Two-thirds of the directors of the company are to be representative of bondholders.

In regard to your specific questions, the company is continuing to pay interest, but as far as we know there is no market for the common shares which have been allotted to bondholders. Should, however, earnings of the company improve, it is possible that these shares may become of value in the future. A market can always be secured for the company's bonds, and the present quotation is approximately 61 bid for each $100 of principal.

Rockwool Corp.

As a subscriber to your paper will you kindly give me your opinion of the 5 per cent convertible notes of Rockwool Corp.?

Rockwool Corp. is a new industry in Canada, and for this reason it is rather difficult to determine its possibilities. The fact that the company has been in operation only since the first of April of this year makes an analysis of its securities even more difficult. We are informed, however, that the company is well financed, and it appears to be well managed. It reports that results to date have been encouraging.

The company's 5 per cent convertible notes cannot be regarded as other than an out and out speculation. In a new industry such as this, there is always a considerable degree of risk in purchasing its securities. As a speculation, however, the convertible notes have attractions. It is not as if the company were making an entirely new product. The company is merely making a product for which there is already a market in Canada, but which previously was not made here. If it is able to meet outside competition, it should be able to show a profit. In the event that the company is successful, the convertible feature of the 5 per cent notes might be of considerable value.

East Kootenay Power

As a subscriber to The Financial Post, I would like to avail myself of your services to secure a report on the current position of East Kootenay Power.

East Kootenay Power operates in a district which has not developed to any appreciable extent for several years. Earnings have been only fair, income being sufficient to cover interest on the bonds and advances made by Power Corp. of Canada. There has been no provision made for depreciation in the last seven years.

At present Power Corp. has advanced the company over $2 millions which will be funded at some future date.

Canadian Celanese

Please let me know something about the current operations of Canadian Celanese and whether or not the dividend is being earned.

Canadian Celanese Co.'s operations are reported at capacity. There is a rumor the company plans to extend its plant, but nothing official has been said about this project. Earnings have recorded steady increases and the dividend on the common stock is being earned by a comfortable margin.

Western Steel

A client of ours holds some stock in Western Steel Products. There have been no reports on this company for some time and I would like to know just what is the outlook for the security holders.

Progress has been made in improving the position of Western Steel Products. The receiver's net loss for 1935 amounted to $77,580 as against $111,517 in the previous year. At the beginning of this year, a notice was sent out to all creditors and security holders asking them to file proof of claim with the liquidator, G. T. Clarkson, 15 Wellington St. W., Toronto. If you have not already done so, we would suggest that you get in touch with Mr. Clarkson, giving him particulars as to your holdings.

Dominion Stores

I hold some Dominion Stores shares which I purchased around 22 and have been holding same thinking that eventually they might return to this figure. In view of the prejudice which seems to have been aroused against chain stores would you suggest a switch?

The possibility of Dominion Stores making a come-back can be weighed better if and when the company makes a semi-annual report of its 1936 results. Sales have been increasing steadily, but, as you say, adverse legislation on chain stores does not make things too promising. It would probably be a mistake, however, to think that the Dominion Stores is incapable of recovering some earnings, and its financial position is sufficiently good that if profits are made, dividends can be paid. This may eventually strengthen the shares.

STOCKS LISTED AND UNLISTED BONDS

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Essex Border Utilities

I would like some information with regard to Essex Border Utilities Commission bonds. The bonds have been in default for 3 years and I am told the assets have been sold to another commission. I hold a $1,000 bond which is not due for several years. Am I going to lose my entire investment? What is the best course to pursue?

Essex Border Utilities bonds are in a unique position. The utilities commission has been legislated out of existence, and the assets have been taken over by the new City of Windsor. The bonds, however, still have claims against several municipalities for the amount of individual liability. As you probably know, four municipalities, Windsor, East Windsor, Sandwich and Walkerville, are now merged in the City of Windsor. Plans have been proposed to refinance the debts of the combined municipalities, and Essex Border Utilities Commission bonds have been included in the various sections of the total debt.

If the plan is adopted, it will mean that the amount of Essex Border Utilities bonds, for which each of the 4 municipalities is liable, will be treated in accordance with the treatment proposed for the debt of the individual municipality. In addition, there are other municipalities than those 4 being merged, which are liable for a portion of the Essex Border Utilities bonds.

While the refinancing scheme for the City of Windsor has been approved by the Bondholders' Protective Committee, it is not known as yet what treatment will be accorded to the Essex Border Utilities bonds. This is one of the most involved phases of the Windsor debt adjustment scheme. The probability is that interest will eventually be paid at reduced rates, and there is a possibility that principal will be reduced too. If principal is reduced, this certainly will be of a minor nature, since principal on the merged municipalities in the new City of Windsor is being met in full.

There is little you can do but wait for reorganization scheme for Essex Border Utilities to be evolved. If you were to sell your bonds at the present time, you would have to take a very substantial loss, and the possibilities are that the final treatment meted out to bondholders will be much better than current prices indicate. Certainly, there is no danger of you losing your entire investment.

Oka Sand and Gravel

Kindly let me have a brief report on the present position of the Consolidated Oka Sand and Gravel Co. bonds.

Consolidated Oka Sand and Gravel has reported operating deficits in the last two years. No interest has been earned on the bonds since 1932. The interest due November 1, 1932, and thereafter, is in default. No plans have been made for a reorganization.

Dominion Bridge

I am considering purchase of Dominion Bridge Co. stock and, therefore, would like to have your comment on the security.

Dominion Bridge Co. has suffered from a lack of business in the last 3 or 4 years, but there are signs of a pick-up. The volume of orders handled last year was somewhat greater than in the previous 12 months and the prospects are favorable. Dominion Bridge's finances are in sound shape and the company is in a position to take advantage of any upswing in new construction.

Montreal Tramways

Please be good enough to let us have a report on Montreal Tramways Co. general mortgage bonds.

Montreal Tramways Co. is earning its bond interest and paying dividends on the common stock. However there has been some difficulty of late with the city council over the agreement entered into between city and the company in 1918. Certain of the aldermen are now claiming that the return on the capital invested is too high and want to revise the contract. This contract cannot be changed without approval of the provincial legislature. So far the company has shown no indications of complying with the request of the city and while there may be no serious developments arising out of the aldermanic agitation for contract revision, still it is worth while to keep an eye on the situation inasmuch as it may affect the value of the bonds.

Gypsum Lime

Among the holdings of a client are some Gypsum Lime and Alabastine Co.'s bonds. Have you any recent information on this company?

Gypsum Lime and Alabastine Co. has been improving its position, though earnings are still somewhat limited. The company deferred sinking fund payments on the bonds, but interest payments have been met regularly. The outlook for the company has undergone an improvement and with a resumption of building activities, the company should be able to cover its bond interest comfortably.

MacLaren Quebec

Among my bond holdings are some MacLaren Quebec Power Co. bonds. Can you tell me something about the outlook for the continued payment of interest.

The outlook for MacLaren Quebec is somewhat obscure. This company's position is affected by a revision of contract with Ontario Hydro. Under the terms of the new agreement it is estimated that net revenue will just about equal the bond interest requirements. So far the company has continued to meet its obligations in connection with the funded debt and at this time there does not appear to be any reason for a change in policy.

Bell Telephone

Will you please let me have your opinion of the Bell Telephone Co. of Canada's common stock.

Bell Telephone Co. of Canada's common stock is regarded as a sound investment medium. Operations have been showing a steady increase from the low point in 1933. The company's stock is not subject to wide fluctuations on the market as it is largely held by investors. The market value, too, is more or less determined by current interest rates.

Western Grain

We hold some of the preferred shares of Western Grain Co. and would like to have your views as to the prospects of a resumption of dividend payments.

Western Grain Co.'s net earnings in the 1935 fiscal year amounted to $249,067, as compared with $254,524 in the previous year. After allowing for depreciation, bond interest was earned 0.64 times. Net loss for the year was $60,805 as against $24,659 in the 1934 year.

Bondholders of the company have agreed to the suspension of sinking fund payments for 4 years, and, through this agreement, the company hopes to build up its working capital position. No dividends are to be paid on preferred stock until the sinking fund payments are paid up so that preferred dividends, which are already in arrears to the extent of $27.62½ per share, will not likely be resumed for some time.

STANDARD FUEL DIVIDENDS

Standard Fuel Co. Ltd. declared the usual quarterly dividend of 1 5/8 per cent on 6½ per cent cumulative preferred shares. It has also declared a dividend of 50 cents a share on the no par value common shares.

Both dividends are payable July 1 to holders of record at the close of business on June 15. For the last three years the common dividend has been on a yearly basis.

Rackets

Trade Schools

PSEUDO "trade schools," in many instances nothing more than thinly disguised rackets, are occupying the attention of legal, post-office and Better Business Bureau officials in Canada.

Attention of these agencies was focussed on the situation some time ago when a concern operating from Toronto sold courses in showcard instruction to some 15,000 students, taking in tuition "fees" about $548,321 from students and their parents. Returns to the students themselves were far from that total.

Another concern, conducting a home-work scheme, enrolled 12,500 students and secured about $445,000 for courses in photo coloring on the promise that they would receive work at $50 a week when the course was completed.

A trade school offering a course of instruction in Diesel engine repairing and manufacturing was investigated by Toronto Better Business Bureau and it was found there was not even a Diesel engine on the premises, while another had no workshop — except the office in which students' mailed tuition "fees" were received.

Not all trade schools are of this type, but legitimate schools have suffered from the stigma caused by their racketeer competitors and are themselves co-operating closely with other agencies to eliminate the mail-order racketeers.

The success of the racketeers' schools is due chiefly to the fact that thousands of young people, unable to secure employment in the last few years, have turned in desperation to even the most far-fetched chance of securing remunerative work.

Many of them have parted with their last dollar to enroll, a fact that renders the "trade school" racket one of the most vicious of all.

Canadian Bronze Preferred Is Listed

From Our Own Correspondent

MONTREAL. — Canadian Bronze Co.'s new 5 per cent preferred stock, amounting to 7,500 shares of $100 par value each, has been listed on the Montreal Stock Exchange. As the stock is fully listed and transferable, it replaces the trading which has been conducted on a "when, as and if issued" basis.

MOORE CORPORATION
LIMITED
Brief analysis of this Canadian company, whose business has been approximating 1929 levels, available on request

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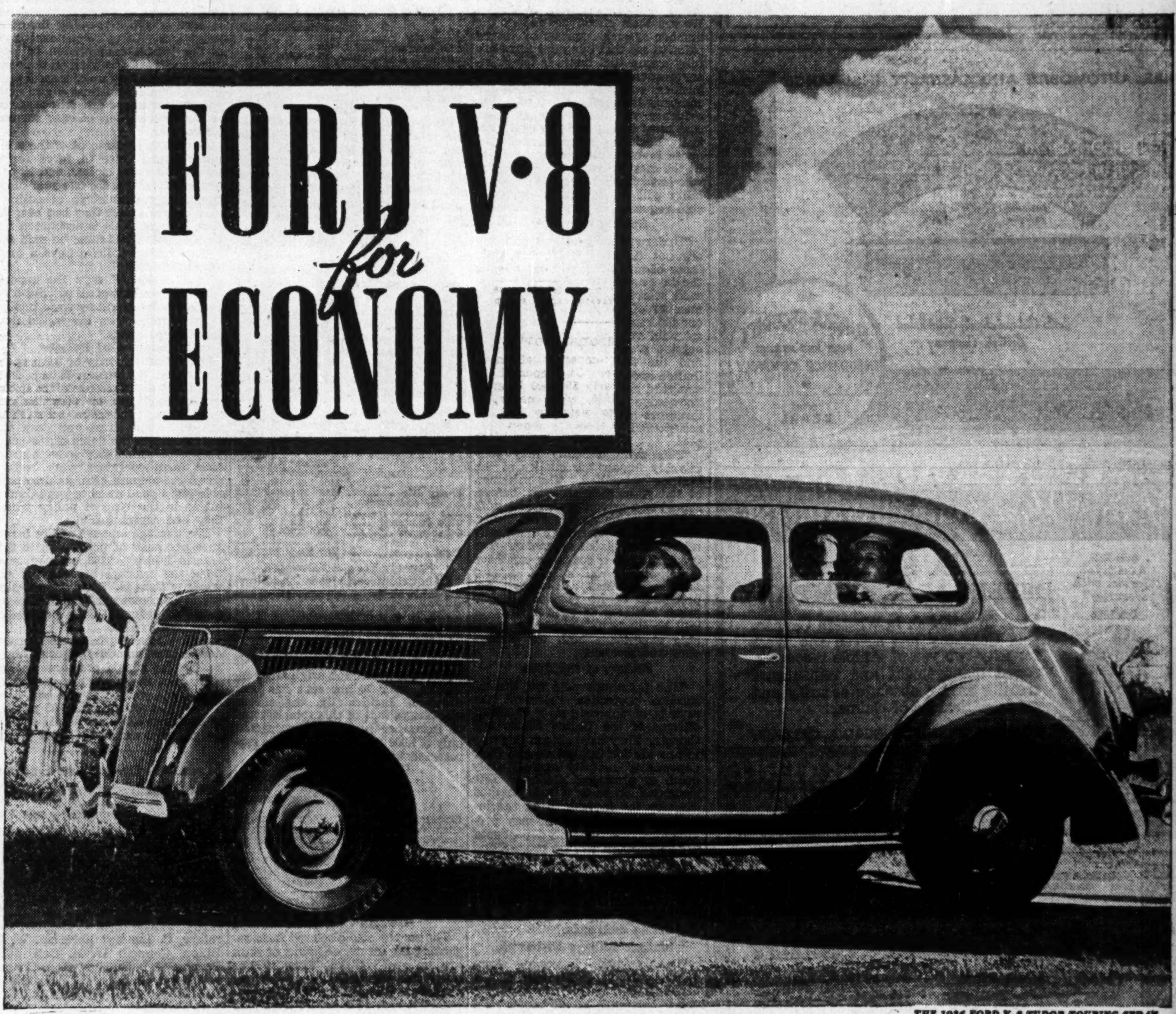

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The big items of car economy are low first cost, low up-keep cost and low depreciation. Savings here can make a great deal of difference in cost per mile. Gasoline mileage is an economy factor, but, in addition to getting this in the Ford V-8, here are the other big items that make the Ford the most economical car:

More value for every dollar you pay.

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• • •

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Agent, Doctor Must Combine In Life Policy

Co-operation Needed to Get Proper Selection, Says Dr. S. J. Streight

ADDRESSES DOCTORS

The role which agents and doctors must play in the vital drama of selecting good risks for life insurance was stressed in the inaugural address of Dr. S. J. Streight, medical director of Canada Life, before the medical section of the American Life Convention held at White Sulphur, W. Va., last week. Dr. Streight is chairman of the medical section.

Dr. Streight emphasized that, while the work of the medical director is to select the right kind of business, "if we are to obtain the best results, we must endeavor to train our agents so that they also may be able to select good business.

"By careful instruction we may help the agent to conserve his time and thereby save him from some of the disappointments which are bound to occur where, through lack of knowledge, he may labor on barren soil, and so, fruitlessly.

Three Steps in Selection

"There are three important steps in selection—primary selection by the agent, which is of the utmost importance, selection by our examiners and selection by the company. The quality of business submitted will reflect in no small degree the ideals of those responsible for agency organization.

"Agents may, because of a lack of knowledge of the importance of physical impairments, ask those responsible for selection to make decisions of major importance upon incomplete or insufficient evidence. We can most effectively reduce the number of such requests by taking pains to see that our sales force are fully aware that theirs is the primary responsibility for the class of business submitted and that, if the company is to make wise selection, evidence of insurability in each case must be complete in every detail. Decisions based upon inadequate investigation are unlikely to be the most satisfactory. The agent who has a fine sense of his responsibility will seldom make unreasonable requests.

Need of Character

"Underwriting problems of today are not essentially different from those of any other period. During the days now almost forgotten when each salesman hoped to become a member of the million dollar club, our field men were able to secure a splendid volume of business without too great difficulty. Today we find the field of prospects more limited and only those who are best equipped and who have a thorough knowledge of the business of life insurance are able to produce their accustomed volume of new business.

"This sales difficulty may conceivably impair the quality of the business submitted. The salesman of today, more than ever before, should be a person of character with a finely developed moral sense. Salesmen of character naturally select prospects of character. The greatest asset a company can have is a loyal, well-trained agency force which has a thorough appreciation of its responsibility to select business of such quality as will be likely to produce a favorable experience both for persistency and mortality.

Savings of 63,000,000

"The premiums paid for life insurance protection represent the savings of approximately 63,000,000 citizens of the United States and Canada. They have chosen this way to provide for themselves and their dependents' security against early death or prolonged old age. Life insurance presents a safe method whereby the individual, on the installment purchase plan, may provide for himself and his dependents' protection both for the present and the future. Therefore, companies and policyholders alike are vitally interested in the security of property, the validity of contracts and in all measures of governments supporting such ends.

Sixteen Billions Disbursed

"During 1935, insurance companies paid to policyholders and beneficiaries $2,700,000,000—equal to about one-tenth of all wages paid and several times greater than total government relief during the same period. Total disbursements for a six year period beginning with 1930 amounted to $16,000,000,000. Surely this is a record of service of which we may well be proud!

"Life insurance represents the greatest stewardship in the world today. It has been built upon faith, confidence, fidelity and security and is more and more becoming synonymous with fidelity and security. The aim of the institution of life insurance is to bring this benefit to the largest possible number of people who need it and who can qualify for it."

HEADS INSTITUTE

R. S. Thorp, fire manager for Canada of the Prudential of England, who has been elected president of the Insurance Institute of Montreal.

Prairie Farmers Forced To Drop Life Insurance

Less Than 22 Per Cent in Saskatchewan Drought Areas Protected by Life Policies, Survey Shows

Less than 22 per cent of the farmers in typical rural municipalities in southwestern Saskatchewan are now protected by life insurance.

Of all life insurance contracted during the present lifetime of these farmers, 68.8 per cent has been discontinued.

Some farmers do not even remember the name of the insurance company with which they are insured.

These are some of the startling facts concerning life insurance in southwestern Saskatchewan disclosed from a study of the farm management department of the University of Saskatchewan undertaken in the summer of 1935 in co-operation with the agricultural economics branch of the Department of Agriculture at Ottawa.

The survey covered farms in rural municipalities of Chaplin, Glen Bain, Gravelbourg, Pinto Creek, Shamrock, Waverley and Wood River, one of the worst drought-stricken parts of the province. Farm management records were secured from 839 farmers in the seven municipalities ,or approximately 30 per cent of the total number of farm operators. This is considered representative of the whole area. The proportion of farmers holding insurance in 1935 in each municipality ranged from 14.5 to 30.8 per cent, or an average for all farmers in the area of 21.6 per cent.

20-Pay Life Dominates

Analysis of the type of insurance protection now carried by these operators shows 20-pay life policies the dominating form of coverage. The distribution of these policies at the present time is as follows:

Type of Policies Carried in 1935

	Number of policies	Percentage
20-pay life	127	50.4
Club insurance	42	16.7
Life	40	15.9
20-year endowment	38	15.1
Other	5	1.9
Total in force	252	100.0

"Club" Policies Stick

Comparison of these figures with the number of policies contracted and dropped during the lifetime of farm operators shows the lowest mortality among "club" insurance contracts. Thus, though 68.8 per cent of all life insurance contracted during the present lifetime of the operators has been discontinued the average mortality for club insurance policies was just over 20 per cent.

Accordingly, this type of insurance instead of ranking fourth in relative importance now ranks second. Similarly, 20-year endowment policies dropped from second to fourth place among types of insurance now in force. Total number of each type of insurance contracted and dropped during the lifetime of the operators is as follows:

	Policies Contracted No.	%	Policies discontinued No.	Percentage dropped in each type %
20-pay life	480	57.4	347	72.3
20-year endowment	175	20.9	135	77.1
Life	110	13.1	70	63.6
Club insurance	53	6.3	11	20.8
Other types	19	2.3	13	68.4
Total	837	100.0	576	68.8

Seventy Per Cent Dropped

Of equal interest also is the following table showing the amount of life insurance contracted by farmers in this area, together with the amounts now in force and the volume of business discontinued. This analysis discloses that of slightly less than $2 millions of protection originally contracted, over 70 per cent has been dropped. Incidentally, the survey also shows that of this total amount of insurance protection contracted, only $11,000 or 0.6 per cent was represented by paid-up policies.

Distribution of Policies

	Amount contracted $	Amount in force $	Amount discontinued $
Chaplin	146,000	46,000	100,000
Glen Bain	330,500	77,500	752,000
Gravelbourg	501,150	157,150	339,000
Pinto Creek	61,100	19,000	42,100
Shamrock	221,550	74,500	147,050
Waverley	242,500	60,500	181,000
Wood River	414,870	118,700	292,170
Total	1,917,670	533,350	1,353,320
Percentage	100.0	28.8	70.6

Owners vs. Renters

The survey also disclosed facts regarding the insurance habits of farm owners and renters. Thus it was found that of the 839 persons whose affairs were analyzed, 700 were owners, of which 65.6 per cent carried insurance protection. Of the 139 renters, only 53.2 per cent carried insurance protection.

Analysis of types of policies as between owners and tenants showed 20-pay life in both cases to be the principal type of policy in force. Tenants were found to have in force 10 per cent more of those types of insurance which were classed as investments than had owners. But owners accounted for 90 per cent of all the policies in force.

Equities Cut 40 Per Cent

A check-up of cash surrender values of policies in force in 1935 showed slightly less than $175,000, but against this was owing premiums in arrears of $56,000 and almost $15,000 of policy loans, making the total amount owing against these policies, 40.6 per cent of the cash surrender value.

Thus the present equity of policies in force totals but 59.4 per cent of the cash surrender value.

Older Men Lose Policies

Analysis of the age groups at the time insurance was discontinued disclosed that 53 per cent of the farm operators had dropped their insurance when they were 40 years of age or over, and 17 per cent when they were 50 years of age or over.

"Apparently," says the survey, "the difficulties attending their farming operations have been too great to permit them to continue the protection of life insurance when it is most needed."

Reasons For Cancellations

Three principal reasons were given by the farmers for having dropped their insurance protection. The predominating cause accounting for 85 per cent of all policies dropped was that of inability to meet premiums because of other pressing financial obligations. About 12 per cent gave as the reason combination of circumstances of borrowing on their insurance and piling up of unpaid premiums, while less than 3 per cent stated the cause of discontinuance to be the drawing out of cash surrender values.

More than 50 per cent of the policies dropped were in force for a period of 5 years or less, and 13 per cent were in force for one year only. The highest percentage of policies were dropped after they had been in force 3 years. This is accounted for because premiums must be paid for 3 years before policies have a cash surrender value.

"It is evident," says the report, "that on 9 per cent of all policies contracted, farm operators were unable to make more than the initial first premium payment."

Ignorance of Policies

"The great majority of farm operators," says the survey, "knew little or nothing about such matters as extended insurance or other salient features in connection with their policies. Some farm operators did not remember the name of the company with which they were insured. Most farm operators were certain about the amount of premiums payable but a good number were doubtful as to the type of policy which they had contracted."

The average amount of life insurance per head of population in this area in 1935 was $196, or about one-third the average amount for the whole of Canada. The average value of life insurance per head of dependents of insured farm operators amounted to $375.

After deducting from cash surrender values amounts against these policies for unpaid premiums, policy loans, etc., the amount of equity per dependent amounted to but $146. Total net equity on the 252 policies in force in 1935 was $103,617 or $572 per policyholder and $411 per policy.

Montreal Insurance Group Elects Officers for 1936-37

From Our Own Correspondent

MONTREAL. — At the annual meeting of the Insurance Institute of Montreal, the following officers were elected for the 1936-37 term:

Honorary president, C. A. Brown; president, R. S. Thorp; vice-presidents, J. B. Thomson and F. E. Dufty; treasurer, G. C. English; secretary, C. Landry; librarian, W. U. Dixon, Council: W. H. Bell, John Brophy, G. L. Butcher, O. A. Chandler, Henry Parker, R. J. Paterson, L. L. Rooke, H. A. Sullivan, J. Todd, J. C. Urquhart.

Lloyd's Insures Quality of Tires

Sears, Roebuck & Co. are said to have tossed a bombshell into the tire trade and insurance circles by advertising that every All-state tire purchaser could obtain free a $1,000 Lloyd's of London insurance policy, says Business Week.

The plan aims to persuade purchasers that it's safe to ride on these tires. The tires are guaranteed for 18 months or 2 years, depending on the quality, but the policy is good for only 12 months. The contract covers up to $1,000 indemnification against death, dismemberment or loss of eyesight resulting from a blow-out or collapse of an All-state tire and will be furnished to the purchaser or members of his household without charge, the premium being paid by Sears on all policies actually issued, even when tires are bought on time payments.

Occidental Life Sells Large Volume in May

May production in Canada of Occidental Life Insurance Co. was 2½ times that of the corresponding figure last year, according to J. W. Miller, general manager for Canada. During the first 5 months of 1936 Canadian volume has shown the greatest increase of that secured in any company territory.

New business written by the entire company in May totalled $15.6 millions—a new record, with total production for the first 5 months of the year $45.6 millions.

George Copeland Heads London Managers' Club

George C. Copeland, manager, London agency of Mutual Life of Canada, was elected president of the Life Managers' Club of London, at the annual meeting held recently.

Other officials included: W. P. Gilbrade (Great-West Life), vice-president; J. A. Taylor (Canada Life), secretary-treasurer. J. B. Hamilton (Standard Life), W. H. Robinson (London Life), ordinary departments, were elected directors.

Retiring president of the association is W. A. Torney, London Life.

NOTICE

Notice is hereby given that the NATIONAL SECURITY FIRE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-267 authorizing it to transact in Canada the business of Fire Insurance and, in addition thereto, Earthquake Insurance, Tornado Insurance, Hail Insurance, and Sprinkler Leakage Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company.

H. C. MILLS,
Chief Agent in Canada.

Toronto, June 10, 1936.

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE —
Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

ESTABLISHED IN 1850 ÆTNA SYMBOL OF SECURITY

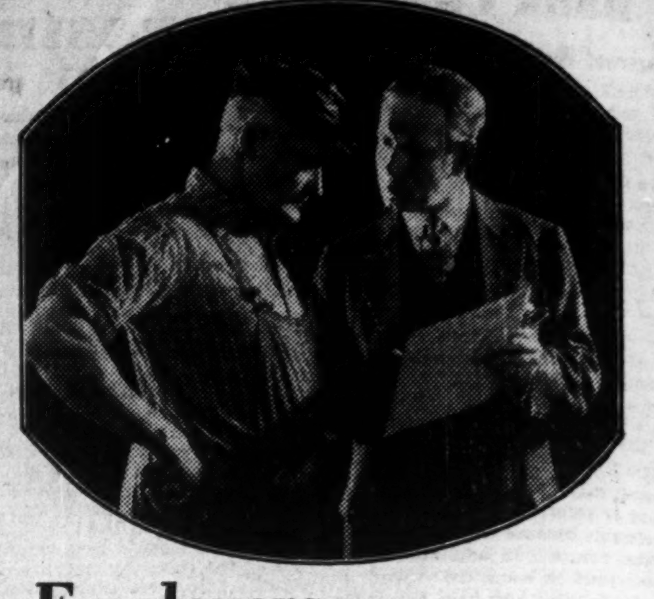
The Ætna Life Insurance Company, writing Life, Group, and Accident insurance, has been a Canadian institution since 1850 . . .

CALGARY · MONTREAL · TORONTO · VANCOUVER · WINNIPEG

THE DOMINION LIFE
ASSURANCE COMPANY
HEAD OFFICE · WATERLOO, ONTARIO

You can guarantee a College Education for your children through The Dominion Life Educational Trust Plan. Our booklet "GOOD COMPANIONS" gives full details. Write today for free copy.

FIRST POLICY ISSUED 1889



Employers—
Here's a Problem to be Solved

What are you going to do for old and faithful Employees when they are unable to work efficiently?

This problem is being faced and solved by employers of from ten to over a thousand people by means of Co-operative Group Insurance, as planned by the Confederation Life Association.

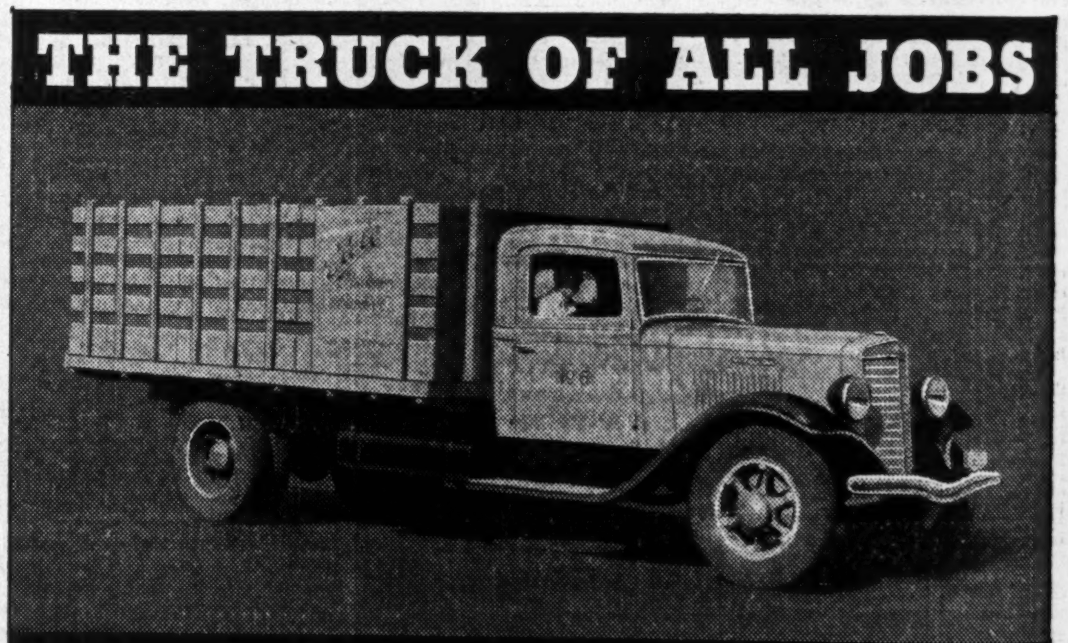
The Confederation Plan provides sound and economical means of purchasing, upon a group basis, by means of mutual contributions, protection against the hazards of death, temporary disability and old age:

1. Life Insurance Benefit—Protecting the employee's family.
2. Sickness and Accident Insurance Benefit—An income to the employee disabled on account of sickness or accident.
3. Retirement Annuity Benefit—An income to the employee on retirement.
4. Supplementary Benefits—Accidental Death and Dismemberment Insurance; Hospitalization Benefits.

If you are, or may be interested, write and we will furnish full particulars.

Confederation Life
Association
Head Office Group Division Toronto

THE TRUCK OF ALL JOBS



THE 1½-TON INTERNATIONAL

To any owner of a Model C-30 International, we don't have to point out what a sturdy, economical powerful truck it is. His cost and service records have already told him in unmistakable figures. The same story of performance is written in the records of International users throughout the country.

No truck chassis has a greater scope of service, a wider range of usefulness than this 1½-ton International. And, like all other Internationals, the C-30 owes its unusual economy to thorough all-truck engineering right down to the smallest working part.

If you are in the market for a truck, your search for the right one should end in the nearest International Truck showroom. Besides the C-30 the complete International Line runs from the light ½-ton job to powerful 6-wheelers. At your service at any time.

INTERNATIONAL MODEL C-30

This chassis is furnished in two wheelbase lengths—133-inch and 157-inch. These special features are part of the reason for the outstanding value of this 1½-ton truck; hardened exhaust-valve seat inserts, full floating rear axle, a 6-cylinder engine that develops 78.5 brake horsepower, counterbalanced crankshaft, pressure lubrication, and many others.

INTERNATIONAL

International sizes range from Light Delivery to powerful Dump and Tractor Trucks.

INTERNATIONAL HARVESTER COMPANY
of Canada, Ltd.
Hamilton Ontario

Direct Factory Branches at: St. John, N.B.; Hamilton, London, North Bay, Ottawa and Toronto, Ont.; Montreal and Quebec, Que.; Calgary, Edmonton, and Lethbridge, Alta.; Vancouver, B.C.; North Battleford, Regina, Saskatoon, Swift Current, Weyburn, and Yorkton, Sask.; Brandon and Winnipeg, Man.

INTERNATIONAL TRUCKS

Bank Chat

Interest Rates

THAT the chartered banks had reduced rates on commercial borrowings by more than one per cent over the last three years, came as a surprise to a large number of people.

Considerable criticism was evoked at the beginning of this month when a cut in savings deposit interest was effected, much of it being along the line "the banks don't have to pay out as much, why should not rates on advances be correspondingly reduced?" It has been said that bankers are poor publicity men. Perhaps this was just another instance.

However, there is still another angle to the question. Deposits, of course, may be directed either into loans or securities, with the former preferable because of the relatively higher return. In addition to the lower yield on loans, the volume of funds which bankers have been able to invest in commercial advances has contracted sharply in recent years. Consequently, earnings from loans have been affected in two ways.

* * *

Security Yields

THE lower level of loans has directed funds into investment. Here, too, the yield has been sharply reduced. Whereas 3 to 4 per cent was paid on Dominion treasury bills in 1933, the return this year has dropped to less than 1 per cent. And whereas short term government securities returned 4 per cent 3 years ago, this figure has now been cut to about 1½ per cent.

The much greater investment in securities has probably offset the decrease in the yield obtainable from them. Unfortunately, it has not been nearly sufficient to counteract the shrinkage in loan revenue. Hence, reduction in interest on deposits.

* * *

Loans on Faith

A STRIKING tribute to the initiative of Canadian banks is paid in a brochure by C. Belmont and E. Leffingwell, American financial writers, entitled "The Big Bad Rich Man."

The incident deals with the San Francisco branch of the Canadian Bank of Commerce at the time of the earthquake in that city. The few stores which survived the disaster could not hand out merchandise without pay and were of use only to those customers they knew personally. Most people had money in banks, but bank vaults were not accessible.

Into the breach stepped the Canadian bank. The story runs:

"That parent bank, by a special railroad car under guard, had brought to the scene a substantial sum—real currency—hard cash; and in a private house, in an unburned district, the officers of the bank, by a great banner, announced that money could be had within, and that all were invited to come and get it. Any resident of San Francisco could borrow up to $200. He needed no collateral. He needed no endorsers. Being a fellow townsman was enough for those bankers. Borrowers could pay back when they were on their feet again."

And they did.

Weekly Bank Clearings

	June 11 1936 $	Change year ago %	June 4 1936 $
Halifax	2,614,716	+10.3	2,940,974
Saint John .	1,872,115	+22.6	2,143,192
Moncton ...	648,818	— 8.9	766,563
Sherbrooke	661,659	+ 8.0	649,193
Quebec	4,026,989	— 3.4	5,259,065
Montreal ..	106,267,995	+17.1	98,270,912
Ottawa	25,306,332	—39.7	34,018,281
Peterborough	632,584	— 0.2	695,712
Toronto ...	137,839,681	+24.6	157,254,499
Hamilton ..	4,208,048	+ 7.8	5,488,161
Kingston ..	536,648	— 3.2	650,431
Kitchener ..	943,737	—16.6	1,249,913
Brantford ..	805,105	+ 5.8	1,014,955
London	2,946,903	+13.8	3,598,404
Chatham ..	502,862	+16.6	528,087
Windsor ...	2,608,414	+ 3.8	3,423,049
Sarnia	548,309	— 1.9	471,249
Sudbury ...	947,913	+12.4	1,074,824
Fort William	1,049,907	+73.4	1,133,121
Winnipeg ..	52,475,793	+45.7	68,727,511
Brandon ...	303,807	+ 5.2	417,105
Regina	3,507,083	+16.3	4,145,251
Moose Jaw .	571,523	+15.9	650,921
Saskatoon .	1,499,950	+ 7.6	1,637,463
Prince Albert	314,368	— 6.9	366,544
Edmonton..	3,663,922	— 5.7	4,414,355
Calgary ...	5,440,545	+ 5.5	6,386,245
Medicine Hat	205,968	—15.6	281,511
Lethbridge .	449,793	+ 5.5	521,106
N.W'minster	585,863	+10.3	714,455
Vancouver .	17,934,169	+29.9	19,265,310
Victoria ...	1,726,169	+ 7.8	1,904,401

YOU ARE
COOL . . . .
SMART . . . .
DRESSED
INDIVIDUALLY
In a
SPORTS COAT
WITH TROUSERS TO BLEND

Note that word "individually"—for these Sports Coats with Trousers to blend by Levy Bros. offer a wide selection of modish color combinations and patterns . . . and the wearer is not "in uniform." Styles for men of conservative taste and for younger men—See them all at Levy Bros.

Levy Bros.
69 WEST KING ST.
TORONTO

Personal Loan Service Extended by Commerce

All of Ontario Covered — Loan Company Officials Unworried by New Venture of Bank

Originally restricted to Toronto and Hamilton, the personal loan department of the Canadian Bank of Commerce has already been extended to include all Ontario branches. It is anticipated Montreal will be served in the very near future.

The bank reports a considerable volume of applications for advances under the new system, and while the plan is just getting started, everything appears to be running smoothly.

Under the system, the local branch manager of the bank forwards his recommendation to the personal loan department at Toronto, which passes on all loans. Certain restrictions will probably be imposed as experience dictates. For instance, the amount of a loan will probably be limited to a certain percentage of income.

Plan Straightforward

The loan plan is simple. Any steadily employed person, acceptable to the bank as a sound credit risk, may make application. The only other requirement is that two guarantors, anyone of good character and financial responsibility, endorse the application. Ownership of property is deemed desirable but not essential. No collateral security will be required.

Loans run for one year and are repayable in 12 equal monthly installments, on which interest is paid at the usual rate for savings deposits, less the amount of the premium for a life insurance policy placed by the bank to protect the estate and the guarantors.

The loans are discounted at 6 per cent annually, and in addition a service charge is levied, varying with the amount of the loan between 50 cents and $3. A reduction in the rate of discount is possible if the plan is successful.

Half Company Charges

Rates charged by the bank are just about half those charged by legitimate personal finance institutions. Although the bank discounts on a 6 per cent basis, actual cost to the borrower ranges between 12 and 14 per cent. Central Finance Corporation, which handles the bulk of Canadian small loan business, places the average cost of its loans at about 27 per cent.

Actual examples will illustrate this variance in rates. On a $60 loan, from Central Finance, the borrower pays $8.71, net proceeds thus amounting to $51.29. From the bank, cost of a similar loan is $4.13 with net proceeds $55.87. Similarly a $120 loan costs $17.42 from the finance company and $7.76 from the bank. A $300 loan costs $37 from Central Finance and $19.08 from the Bank of Commerce.

Loan Companies Unworried

Personal loan company officials, however, are unworried by intrusion of the bank into their field. As yet, they claim, the new personal loan department has had no effect on the number of applications they receive, nor do they believe it will entail any serious loss of their business.

The plan offered by the companies and that of the bank differ radically, they contend. The loan plan offered by the Commerce, it is claimed, is predicated on security; that of the legitimate loan companies on service. The latter feature, the companies believe, justifies the difference in rates.

Want Speed and Secrecy

According to their argument, a person who seeks a personal loan usually does so in an emergency. That being so, there are two requisites. The first naturally, is that he wants the money in a hurry; the second, that he wants the entire transaction kept confidential. Officials of finance companies claim that the Bank of Commerce plan does neither.

The Bank of Commerce plan, it is suggested, involves a considerable amount of red tape. A preliminary form must be filled in before application is made. The application itself is rather lengthy, and requires details respecting the guarantors as well as the borrower. The loan must be approved by the central personal loan department. All of which, it is pointed out, take time. In contrast, some of the personal loan companies offer 24-hour service.

The necessity of filing detailed information, not only by the applicant but by both guarantors as well, makes the transaction less confidential than what they offer, it is felt.

At least one of the finance companies, Central Finance Corporation, formerly operated on a basis similar to that adopted by the bank. Officials state, however, that the scheme was "socially and economically" unsound, and as a result was discarded. Social inadvisability is taken to mean that the entire system of endorsation of a borrower's note for a personal loan is unsound.

Criticism on economic grounds is chiefly that the supply of suitable endorsers soon becomes exhausted. It is stated that after an endorser has once backed a note, he is rather hesitant of doing so again; there is a feeling that he is being imposed upon.

A further development noted by Central Finance was growth of the professional guarantor. A party assuming the risk felt that he should be reimbursed, and exacted a charge for this service.

Character Loans

In short, the company states there were so many disadvantages to the system that it was entirely discontinued. Present operations of the company are based on character and paying capacity of the individual, backed by a chattel mortgage on furniture. No signatures are necessary.

So far as can be ascertained, none of the other banks contemplate a venture into the personal loan field in the immediate future. Officials of the Bank of Commerce, however, are of the opinion that if the project is successful, there may be competition from some of the other chartered institutions.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	July 2	June 15
Alta. Pac. Oil	2c	July 15	June 15
Assoc. Breweries .	15c	June 30	June 15
Do., pref.	$1.75	July 1	June 15
Amer. Cyanamid, A	15c	July 1	June 15
Do., B	15c	July 1	June 15
Acadia Sugar, pf...	7½c	July 1	June 16
Do., arrears	7½c	July 1	June 16
Do., 6% pfd.	73c	July 1	June 16
Do., arrears	73c	July 1	June 16
Acme Glove‡	12½c	July 2	June 20
Do., pref.	1.62½	July 2	June 20
B. C. Elec. & Gas, pf.	$1.50	July 2	June 20
B.C. Power, A	40c	July 15	June 30
Bulolo Gold	$1.40	July 2	June 10
Barcelona Tr., ord.	75c	June 29	June 19
Bell Telephone ...	$1.50	July 15	June 23
Bk. of N. Scotia ..	$3	July 2	June 15
Brazilian Tr., ord.	30c	July 15	June 5
Do., pref.	$1.50	July 2	June 15
Belding Cort., pf.	$1.75	July 2	June 15
Do., com.	$1	July 2	June 15
Bk. of Canada	$1.12	July 2	May 31
Bralorne Mines ...	10c	July 15	June 30
Do., extra	5c	July 15	June 30
B. C. Elec. Rly. pf.	2½%	July 15	July 4
B. C. Telephone, p.	$1.50	July 2	June 16
Do., 2nd pfd.	$1.50	Aug. 1	July 17
Burt, [illegible] N.	50c	July 2	June 10
Brit. [illegible] & Tr. .	$4	July 2	June 20
Brit. [illegible] Oil ..	20c	July 2	June 16
Bldg. [illegible]ds., A, B	25c	July 2	June 11
Burt, [illegible] N., pfd.	$1.75	July 2	June 10
Can. Perm. Mtge...	$2	July 2	June 15
Can. Canners 1st p.	$1.50	July 2	June 15
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf. ...	$3.50	June 30	June 16
Cosmos Imp. p. new	$1.25	July 15	....
Can. Celanese ...	40c	June 30	June 23
Do., pref.	$1.75	June 30	June 23
Can. Cottons	$1	July 2	June 13
Do., pref.	$1.50	July 2	June 13
Can. For. Invest. ..	40c	July 1	June 15
Do., pref.	$2	July 1	June 15
Canadian Oil, pref.	$2	July 1	June 20
Confederation Life	$1	June 30	June 25
Can. Gen. Elec. ...	$1.25	July 1	June 13
Cent. Patricia Gold	4c	July 2	June 15
Cariboo Gold	2½c	July 2	June 6
Canada Bread, 1st pf.	$1.25	July 2	June 15
Do., arrears	50c	July 2	June 15
Can. Nor. Power .	30c	July 25	June 30
Do., pref.	$1.75	July 15	June 30
Central C. Loan .	$2	July 2	June 20
Cons. Bakeries	20c	July 2	June 15
Canada Trust	$5	July 2	June 15
Can. Wire Box, A	▲37½c	July 1	June 15
Cons. Smelters	50c	July 15	June 30
Consumers' Gas ..	$2.50	July 2	June 15
Crown Trust	$1.75	July 2	June 30
Canada Packers, c.	75c	July 2	June 15
Can. Fairbanks, pf.	$1.50	July 15	June 30
Can. Industries, A & B	$4	July 31	June 30
Do., extra	75c	July 31	June 30
Do., pref.	$1.75	July 15	June 30
Can. West'house..	50c	July 1	June 19
Can. Nat. Gas	$1	June 1	May 30
Do., pref.	$1.50	June 1	May 15
Dom. Glass	$1.25	July 2	June 15
Do., pref.	$1.75	July 2	June 15
Dome Mines	50c	July 20	June 30
Do., extra	50c	July 20	June 30
Dom. Coal, pf.	38c	July 1	June 15
Dom. Bank	$2.50	July 2	June 15
Dom. Textile	$1.25	July 2	June 15
Do., pref.	$1.75	July 15	June 30
East. Steel, pfd. ..	$1.75	July 1	June 15
East. Can. Sav. ...	$1.50	July 2	June 20
Eastern Trust	$2	July 2	June 20
Fanny Farmer	12½c	July 1	June 15
Falconbridge N. ..	7½c	June 25	June 4
Fernie Brew.	60c	July 2	June 17
1st All-Can. Tr. ord.	7½c	July 15	June 30
Ford of Can. A & B	75c	July 11	June 20
Freiman, pfd.	$1.50	July 2	June 15
Goodyear Tire	63c	July 2	June 15
Do., pref.	62½c	July 2	June 15
Gt.-West Life	$5	July 2	June 20
Goderich Elev.	25c	July 2	June 15
Granby Cons., bonus	15c	July 2	June 15
Ham. Cotton, pfd.	50c	July 1	June 15
Hinde & Dauch ..	12½c	July 2	June 15
Ham. U. Thea., pf.	$1	June 30	May 30
Howe Sound	75c	June 30	June 22
Do., extra	50c	June 30	June 22
Hudson Bay Mining	50c	June 29	May 29
Huron & E. Mtg. .	$1.25	July 2	June 15
Imp. Tobacco, ord.	8¾c	June 30	June 12
Inter. Power, 1st pf.	$1.50	July 2	June 15
Inter. Mining	15c	June 20	May 29
Inter. Nickel, c. ..	30c	June 30	June 2
Do., pfd.	$1.75	Aug. 1	July 2
Intercol. Coal	$2	July 2	June 22
Do., pref.	$4	July 2	June 22
Invest. Found., pf.	38c	July 15	June 30
Do., pref.	12c	July 15	June 30
Kerr Lake M.	5c	June 29	June 15
Landed Banking .	$1.25	July 2	June 15
Little L. Lac	10c	June 25	June 10
Inter. S. Rlty, A	28c	July 1	June 15
Jam. Pub. Ser. ...	37½c	July 2	June 15
Do., Pfd.	$1.75	July 2	June 15
Macassa M.	5c	July 2	June 15
Mitchell, J. S., pf.	$1.75	July 2	June 16
Moore Corp., c. . .	25c	July 2	June 10
Do., pref. A	$1.75	July 2	June 10
Do., pref. B	$1.75	July 2	June 10
Monarch Knit., pf.	$1.75	July 2	June 15
Mtl. C. & D. Bank	$3	July 2	June 15
Do., bonus	$1	July 2	June 15
Montreal L. H. & P.	38c	July 31	June 30
Nat. Biscuit, com..	40c	July 15	June 17
National Brew. ...	50c	July 2	June 15
Do., pref.	44c	July 2	June 15
National Trust	$2	July 2	June 20
New Eng. Pwr., pf.	$1	July 1	June 10
Do., $2 pfd. ..	33 1/3c	July 1	June 10
North Star Oil pf.	▲8¾c	July 2	June 15
Perfect Circle, c. ..	50c	July 1	June 17
Noranda Mines .	†$1.25	June 30	June 10
Ont. Loan & Db. .	$1.50	July 2	June 15
Ogilvie Flour, c. ..	$2	July 2	June 20
Ottawa L. H.	$1.50	July 2	June 15
Do., pref	$1.62½	July 2	June 15
Ottawa Traction ..	50c	July 2	June 15
Page Hersey	75c	July 1	June 15
Pickle Crow	5c	June 30	June 16
Pioneer Gold, B.C.	20c	July 2	May 30
Porto Rico Pr. pf.	$1.75	July 2	June 15
Power Corp., pfd.	$1.50	July 15	June 30
Do., 2nd pfd. ...	75c	July 15	June 30
Premier Gold	3c	July 15	June 12
Do., extra	1c	July 15	June 12
Pressed Metals	37½c	July 1	June 15
Securities Hold., pf.	†50c	July 2	June 19
Stand. Fuel, pf. ..	$1.62½	July 1	June 15
Do., com.	50c	July 1	June 15
Steel of Can.	43¾c	Aug. 1	July 7
Do., pref.	43¾c	Aug. 1	July 7
Reno Gold M.	3c	July 2	June 10
Real Est. Loan ...	$1	July 2	June 17
R. S. Mills, A	50c	July 2	June 12
Sheep Creek Gold	‡2c	July 15	June 30
South. Can. Pr., pf.	$1.50	July 15	June 20
Sher.-Williams, p.	*$1.75	July 2	June 15
Supersilk H., 1st pf.	$1.75	July 1	June 12
Sunshine Mines ..	50c	June 30	June 15
Supertest Pet. B pf.	75c	July 2	June 12
Do., ord. & com.	50c	July 2	June 12
Teck-Hughes	10c	July 2	June 10
Do., bonus	5c	July 2	June 10
Toronto Mtge.	$1.50	July 2	June 13
Tuckett Tob., pfd.	$1.75	July 15	June 30
Tamblyn, pref. ...	$1.75	July 2	June 20
Tip Top Tailors, pf.	$1.75	July 2	June 16
Tor. Gen. Trusts ..	$1	July 2	June 20
Ventures	‡2½c	July 2	June 15
West. Grocers	50c	July 15	June 30
Do., pref.	$1.75	July 15	June 20
Weston, Geo., c. .	20c	July 1	June 20
W.-Hargreaves ...	10c	July 1	June 10
Do., extra	5c	July 1	June 10

†Interim. ‡Initial. *For quarter ended Aug. 31, 1934.
▲On arrears.

Staff Changes

The Bank of Montreal has made the following changes in staff:

J. M. A. MONARQUE, formerly manager at Beatty & Verdun, Verdun, to be manager at DeLorimier and Rosemount, Montreal.

A. E. BLEAN, formerly manager at DeLorimier & Rosemount, Montreal, to be manager at Darling and Ontario, Montreal.

A. E. ALLAN, formerly manager at Bowsman River, to be manager at Tofield.

L. W. SMITH, formerly manager at Tofield, to be manager at Trochu.

P. C. WEISHAR, formerly manager at Coutts, to be manager at Chateau Lake Louise.

C. R. McKAY, formerly manager at Grande Prairie, to be manager at Banff.

The Canadian Bank of Commerce has announced staff changes as follows:

J. R. McLENNAN, formerly manager at Trail, to be manager at Nelson.

F. E. DURRANT, formerly manager at Vanderhoof, to be manager at Revelstoke.

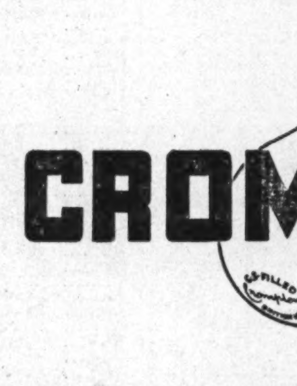
G. G. RENNISON, formerly manager at Revelstoke, to be manager at Trail.

J. B. FEENEY, formerly manager at Lougheed, to be manager at Vanderhoof.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	June 9	June 10	June 11	June 12	June 13	June 15
U, S, dollar, High	.5906	1.00¼	1.00 1/32	1.00 1/16	1.00 1/32	1.00 1/32	1.00 1/16
Low	.5906	.....	.....	.....	1.00 1/16	1.00 1/16	1.00 1/32
1935, High	.5906	1.00 1/32	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16
Low	.5906	.....	.....	.....	.....	1.00 1/16	1.00⅛
U. K. pound	4.8665	5.02⅝	5.02⅝	5.03¼	5.04	5.03⅝	5.04½
Argentina	.4246	.2793	.2787	.2791	.2791	.2780	.....
Australia	4.8665	4.0146	4.0040	4.0186	4.0231	4.0226	4.0296
Austria	.1407	.1885¾	.1885	.1884½	.1885	.1884½	.1881
Belgium	.1392	.1695¾	.1694½	.1694	.1694½	.1694	.1694¼
Brazil	.1963	.0576½	.0576¼	.0581	.0576¼	.0576	.0575¾
Czechoslovakia	.0296	.0414½	.0414½	.0414¼	.0414½	.0414	.0414¼
Denmark	.2680	.2247½	.2245	.2248¼	.2251	.2248¼	.2251½
France	.0392	.0660	.0659⅞	.0659⅝	.0659⅝	.0659¾	.0659⅝
Germany	.2382	.4037	.4037	.4034½	.4036	.4034½	.4036¼
Greece	.013	.0093¾	.0093¾	.0093⅝	.0093¾	.0093¾	.0093¾
Holland	.4020	.6775	.6777	.6771½	.6774	.6777½	.6772½
Hungary	.1749	.1995	.1994¼	.1993¾	.1994	.1994	.1993
India	.3650	.3827½	.3828½	.3827¼	.3835	.3834	.3833
Japan	.4985	.2937¼	.2946½	.2947½	.2946½	.2945½	.2954½
Jugoslavia	.1929	.0230	.0230	.0230⅛	.0230¼	.0230	.0230
New Zealand	4.8665	4.0551	4.0554	4.0592	4.0637	4.0632	4.0702
Norway	.2680	.2529	.2527½	.2531	.2533½	.2531	.2602
Poland	.1122	.1891	.1891	.1890	.1890	.1890	.1889
South Africa	4.8666	5.0029	5.0223	5.0082	5.0138	5.0132	5.0219
Spain	.1929	.1367½	.1368½	.1367	.1367½	.1367½	.1366½
Sweden	.2680	.2593½	.2592½	.2596	.2600	.2597	.2602
Switzerland	.1930	.3241	.3243	.3240	.3240	.3240	.3237
Hong Kong	.5422	.3253	.3237	.3246	.3237	.3246	.3255



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and
Crompton-Parkinson Limited
of London, England

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that they have entered into a joint arrangement to manufacture and sell the well-known

Crompton Lamps in Canada

Crompton-Parkinson Limited is the largest independent manufacturer of electric lamps in the world and Crompton lamps are known everywhere for their quality, efficiency and general excellence.

All sizes and types are available to suit every lighting need.

Consult your nearest English Electric dealer when ordering your yearly supply.

Lighting Division

THE ENGLISH ELECTRIC CO. OF CANADA, LIMITED
991 Bay Street - Toronto

Bouchard Puts Quebec Dolers On Work Plan

Those Getting Relief in Province Must Work For It

SOME OPPOSE

Hon. T. D. Bouchard, Minister of Municipal Affairs, Trade and Commerce in the Taschereau administration in Quebec, says that if he is selected for the same post by the new premier, Hon. Adelard Godbout, he will push vigorously his province-wide plan for stopping the dole and substituting enough work to give those formerly on relief the same amount of money they otherwise would have obtained.

In attempting to explain his plan to a mass meeting of workers in a public hall at Montreal, the Minister found the meeting turbulent and would not have been heard but for the radio. He claimed afterwards that 600 people in the audience of 4,000 people created all the trouble and prevented the others hearing his exposition of the plans for dealing with 42,000 people now on direct relief. An organization known as the Front Populaire and other Communist groups opposed him but all the large labor bodies favored the plan, he said.

Forty Places Start Plan

On June 2 the following municipalities had men at work under the new plan:

Victoriaville	East Broughton
Longueuil	Kenogami
Port Alfred	Megantic City
Hull	Point Gatineau
Lachine	LaSalle
St. Laurent	Ste. Pierre aux Liens
Verdun	Joliette
Laprairie	L'Abord a Plouffe
Montreal North	St. Michel
Point aux Trembles	Grandmere
Thetford Mines	Beaupre Village
Buckingham	Sorel
Asbestos	Granby
Sherbrooke	Shawinigan Bay
Shawinigan Falls	Three Rivers
Ste. Hyacinthe	Cap de la Madeleine
Chicoutimi township	Chicoutimi
Jonquiere	Riviere du Moulin

In all other municipalities jobless were asked by city and town relief bodies and village authorities to sign sworn declarations that they agree on and after June 1, 1936, to work for their relief moneys. In Montreal, Quebec and other places, where extra works have not yet been arranged, relief payments are still made but on the plan of 50-50 contributions from province and Dominion, it is expected there will later be enough work for all to earn their relief money. Only the present critical political situation in Quebec makes uncertain the eventual outcome of all government measures.

Bank of Canada Weekly Statement

Largest changes in the Bank of Canada statement for the week ended June 10 were in deposits. Those of the chartered banks declined by $4 millions but government balances more than offset this with a gain of about $6 millions. Short term security holdings advanced $2 millions and reserve in the United States was also higher.

Balance Sheet

	June 10 $	June 3 $
Liabilities		
Capital paid-up ...	5,000,000	5,000,000
Notes in circ.	95,105,630	93,805,625
Rest fund	173,092	173,092
Dep. Dominion	30,706,317	24,919,361
Banks	181,040,386	184,977,764
Other	1,248,087	1,615,231
Total deposits	212,996,790	211,512,356
All other liabs.	4,386,230	2,239,620
Total liabs.	317,641,732	312,730,693
Assets		
Reserve: Gold	179,961,088	179,938,361
Silver bullion ..	1,729,218	1,696,351
Res. in sterling ..	1,124,260	213,245
Res. in U. S.	16,530,090	14,226,872
Res. elsewhere ..	2,612	5,874
Total reserve	199,347,268	196,083,103
Subsidiary coin ...	289,946	291,449
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short	29,039,910	29,115,966
Other Dom. govt.	82,104,430	80,101,339
Total invest.	111,144,340	109,217,305
Premises	206,455	206,330
All other assets ...	3,653,723	3,932,506
Total assets	317,641,732	312,730,693
Reserve ratio	64.70%	64.22%

BANK with BARCLAYS

BARCLAYS BANK (CANADA)

214 ST. JAMES STREET
MONTREAL

60 KING STREET WEST
TORONTO

2-2

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(*ESTABLISHED* 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)

Paid-up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1935	£115,559,000

A. C. DAVIDSON, General Manager.

747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.

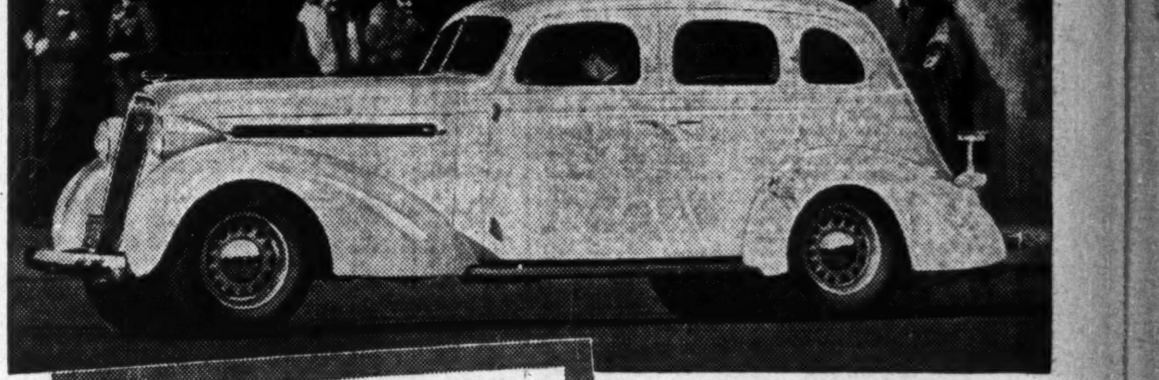
Head Office:
GEORGE STREET, SYDNEY.

London Office:
29, THREADNEEDLE STREET, E.C. 2.

Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

WATCH STUDEBAKER THIS MONTH!

The best buy in town and the *stand-out car!*



CHECK THESE STUDEBAKER FEATURES AGAINST THOSE OF ANY OTHER CAR

World's only car with Automatic Hill Holder!
World's largest one-piece top of solid Steel!
World's strongest steel reinforced by steel body!
World's roomiest rear seat—58⅝ inches of elbow room!
One of the few 1936 cars with Automatic Overdrive!
World's only car styled by great woman designer—Helen Dryden!
World's only car with the Miracle Ride—comfort at all speeds on all roads!
Holder of official American Automobile Association gas economy record—29.12 miles per Imperial gallon!

As LOW as
$1083
DELIVERED IN WINDSOR
Including license and Government taxes

Share in Studebaker's success!

The Studebaker Corp. of Canada, Ltd.
Walkerville, Ontario

SMART TO BE SEEN IN... SMARTER TO BUY

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING JUNE 15

Range 1936 High	Low	Div R'te $	Jne13 Y'ld %		Sales	Last June 8	Week end. June 15 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	2185	1.65	1.70	1.60	1.70
13	6¼	.	...	D. pref. 6%	1705	7½	9½	8	9
12	6⅞	.	...	Do. cert. dep.	125	7½	8½	8	8½
4½	4½	.	...	Acadia Sugar	....	(4 bid — asked)			
15¼	14½	50c	...	Acme Glove	128	15	15	14½	15
95	95	6.50	...	Do. pref.	....	(— bid 95 asked)			
10	7½	40c	5.3	Agnew Surp.	155	7⅞	8	7½	7½
107	102½	7	6.7	Do. pref.	48	102½	104	104	104
6	3	.	...	Alta. Pac. Gr.	15	4	4½	4½	4½
39	25	.	...	Do. pref.	89	27	30	28	30
3	2	.	...	Amal. Electric	25	3	3	3	3
23	14	.	...	Do. pref.	10	15	15	15	15
40½	29⅞	15c	...	Amer. Cyn. B.	45	34	34½	34½	34½
54½	51⅞	3.50	6.6	Ang. C. Tel., pf.	....	(53 bid — asked)			
30	17½	.	...	Asbestos v. t.	420	28	29½	28	28
15	9⅞	60c	5.7	Assoc. Brew.	45	11	10½	10	10½
110	104	7	6.7	Do. pref.	10	108	104½	104½	104½
35	34	.	...	Assoc. T. & T. p.	....	(— bid 43 asked)			
106	105½	7	6.6	Atlan. Sugar, p.	....	(105 bid — asked)			
				B					
58½	51½	2.25	3.9	Bank of Canada	170	57	58½	56	57½
140	133	8	5.8	Bk. Can. Nat.	71	138	138	137	137
214	182½	8	4.2	Bk. Montreal	238	190	191	188	189
300	271	12	4.2	Bk. N. Scotia	26	283	286	283	283
235	225	10	4.4	Bk. Toronto	26	226½	226½	226	226
13½	11	75c	...	Barcelona	....	(8½ bid 11½ asked)			
17⅞	10½	.	...	Bathurst Pr.	1850	14	14½	13⅞	14
5⅞	3	.	...	Do. (B)	40	4½	4½	4	4½
4	1½	.	...	Bawlf Grain	10	2	2	2	2
38	24	.	...	Do. pref.	....	(— bid 30 asked)			
3	2½	.	...	Beath & Sons	....	(2½ bid — asked)			
15	9½	.	...	Beatty Bros. A.	25	9⅞	9½	9½	9½
105	96	6	5.9	Do. pref.	10	100	101½	101½	101½
3⅞	1⅞	.	...	Beauharnois	4604	2⅞	2½	1⅞	2
110	105	4	3.6	Belding Cort.	....	(99 bid 110 asked)			
135	130	7	5.2	Do. pref.	....	(125 bid — asked)			
150	140	6	4	Bell Telephone	767	148⅞	149⅞	147½	149½
36	30	1.25	...	Biltmore Hats	25	34½	35	35	35
110	110	7	6.4	Do. pref.	....	(106½ bid — asked)			
5	3½	.	...	Bissell, T. E.	....	(4 bid 5 asked)			
50	33	.	...	Do. pref.	....	(42 bid 50 asked)			
5	3½	.	...	Blue Ribbon	193	4	4½	4	4
32½	27	2	6.2	Do. pref.	119	32	32½	32	32½
31½	30	2	6.7	Brant. Cord. pf.	1178	30½	30½	30½	30½
15½	9⅞	30c	...	Brazilian Tr.	11566	12	12⅞	12	12½
1.45	.80	.	...	Brew. & Distil.	11290	.90	1.10	.90	1.05
4½	2½	.	...	Brewing Corp.	1105	2½	2⅞	2⅞	2½
18½	13⅞	1.50	...	Do. pref.	615	17⅞	17½	15⅞	16
9	5⅞	30c	5.2	Bright, T. G.	....	(5⅞ bid 7½ asked)			
82	80	6	7.5	Do. pref.	....	(79 bid — asked)			
27⅞	16½	80c	3.4	Brit. Amer. Oil	5990	23½	23⅞	23	23⅞
13	8⅞	.	...	B. C. Packers	72	9½	9½	9	9
32⅞	28½	1.60	5.4	B. C. Power A.	1047	29⅞	30	29½	29⅞
5⅞	3⅞	.	...	Do. (B)	55	4½	4½	4½	4½
16	9	1.20	13.2	Bruck S. Mills	905	10	9⅞	9	9½
37½	33	1+25c	3.6	Building Prod.	425	34½	34½	34	34½
47⅞	37½	2	4.9	Burt, F. N.	70	41	40½	40½	40½
				C					
86½	78	6	7.5	Calgary, Pr., pf.	....	(76 bid 80 asked)			
6	4½	.	...	Canada Bread	15	5	4⅞	4⅞	4⅞
97	90	1.25+50c	.	Do. pref. A.	5	97	95	95	95
44	30	.	...	Do. pref. (B)	22	36	36	36	36
10	6½	.	...	Canada Bud	1080	9½	10	9½	9½
8	6	.	...	Canada Cement	936	6½	6⅞	6½	6½
75	58	.	...	Do. pref.	556	68	69½	67½	69½
70	57	1.50+1	4.2	Can. & D. Sug.	....	(58 bid 60 asked)			
b16½	10⅞	.	...	Canada Dry	13600	15	15½	14⅞	14⅞
7	3	.	...	Can. Forg. (A)	5	3	3½	3½	3½
2	2	.	...	Do. (B)	....	(2 bid — asked)			
50	40	.	...	Canada Iron	....	(— bid 50 asked)			
60	60	3	5	Do. pref.	....	(58 bid — asked)			
35	30½	1.50+50c	6.2	Can. Malting	716	32	33	31½	32½
25⅛	22½	1.20	4.9	Can. Nor. Pr.	617	24½	24½	24½	24½
111	107⅞	7	6.4	Do. pref.	208	110	111	109½	110
93	80	3	3.6	Can. Packers	100	83½	83½	83½	83½
118	105	.	...	Can. Paper, pf.	10	112	109	109	109
2	1⅞	.	...	Can. Paving, pf.	5	2	1⅞	1⅞	1⅞
160	137½	8	5.3	Can. Perman.	16	150	150	150	150
3½	1	.	...	Can. Steamsh's.	295	1⅞	1⅞	1½	1⅞
15½	6½	.	...	Do. pref.	415	7	7½	6⅞	7
27½	19⅞	1.20	5.6	Can. Vinegars	205	20½	21⅞	20½	20½
27	20½	.	...	Can. W. Cable	....	(26 bid 27 asked)			
12½	9	.	...	Do. (B)	....	(9 bid 10 asked)			
102⅞	98½	.	...	Do. pref.	....	(103 bid — asked)			
4	2	.	...	Can. Bakeries	....	(2 bid 3 asked)			
57	42	.	...	Do. pref.	20	42	42	42	42
170	148	8	5.2	Can. Bk. Com.	275	153	154	152½	154
41	31	1	2.6	Can. Bronze	155	39	39½	39	39½
116	101½	7	6.5	Do. pref.	29	106	108	108	108
5½	4	.	...	Can. Canners	....	(4½ bid 4½ asked)			
100	88⅞	6	6	Do. 1st pfd.	227	98	100	99½	99
8½	5	.	...	Do. 2nd. pfd.	....	(5½ bid 5⅞ asked)			
8	5½	.	...	Can. Car. & Fd'y	3587	6½	7	6	7
17⅞	13	.	...	Do. pref.	1535	15½	15⅞	14⅞	15½
31½	25½	40c	...	Can. Celanese	930	27½	28½	27½	28½
128	112	7	5.8	Do. pref.	300	118	120	118	120
21	18	.	...	Do. Rights	10	20	18½	18½	18½
30	22½	2	8	Can. Convert.	....	(25 bid 27 asked)			
50	48	4	8	Can. Cottons	....	(— bid — asked)			
105	97	6	6	Do. pref.	7	100	101	100	100
49½	37	2+1	6.4	Can. Dredge	197	48	48	46½	47
100	98⅞	6	6.1	Can. Fairb., pf.	....	(92½ bid — asked)			
34	23½	1.60	5.4	Can. For. Inv.	65	29	29½	29	29
107	105	8	7.5	Do. pref.	3	107	106	106	106
175	150	5	3.1	Can. Gen. Elec.	20	153	158	158	158
8½	7½	40c	...	Can. G. Inv.	....	(7½ bid — asked)			
48	26	.	...	Can. Hyd. El. p.	215	32	34	31½	31⅞
12½	6⅞	.	...	Can. Ind. Alc.	9610	7⅞	8½	7	7⅞
11½	6	.	...	Do. (B)	983	6½	6⅞	6½	6½
225	221	4+75c	..	Can. Indust. B.	....	(221 Mar. 7)			
4	1	.	...	Can. Int. I. Tr.	100	3⅞	1	1	1
65	35	.	...	Do. pref.	50	57½	55	55	55
23	20	1	...	Can. Lt. & Pr.	....	(20 bid 23 asked)			
4	2½	.	...	Can. Locomo.	....	(— bid 3 asked)			
b2⅞	1⅞	.	...	Can. Marconi	2235	1⅞	1⅞	1½	1⅞
18	12	50c	4.2	Canadian Oil	50	12	12	12	12
130	123	8	6.2	Do. pref.	....	(126 bid 140 asked)			
15⅞	10⅞	.	...	Can. Pacific	5017	12½	12⅞	12½	12½
.15	.15	.	...	C. Pr. & Pa. I.	....	(.15 bid .25 asked)			
7	4½	.	...	Do. pref.	....	(5 bid — asked)			
3⅞	1½	.	...	Can. Vickers	15	2	2	2	2
25	12	.	...	Do. pref.	....	(— bid 20 asked)			
3⅞	2	.	...	Can. Wineries	115	2⅞	3	2½	2⅞
26½	21	1.50	...	Can. Wire Box	425	25	25	25	25
101½	100	.	...	Carnation, pf.	10	101	101	101	101
2⅞	2½	.	...	Catelli Food	....	(3 bid — asked)			
15	13½	38c	...	Do. pref.	....	(12 bid 13½ asked)			
165	165	8	4.8	Cent. Can. Loan	....	(160 bid 195 asked)			
1.60	.85	.	...	Chem. Research	7000	.95	1.11	1.00	1.05
3.60	1.75	.	...	City Gas & Elec	95	1.75	1.75	1.75	1.75
.60	.25	.	...	Claude Neon	507	.25	.30	.25	.25
14½	12⅞	92c	...	Coast Brew.	125	13	13⅞	13½	13½
5½	4	.	...	Do. Rights	25	4⅞	5⅞	5⅞	5⅞
9⅞	6½	.	...	Cockshutt Plow	985	6⅞	6⅞	6½	6⅞
1.35	.65	.	...	Comm. Alcohol	100	.70	.80	.80	.80
18⅞	15⅞	80+10c		Cons. Bakeries	421	16½	16⅞	15⅞	16⅞
3⅞	2	.	...	Cons. Paper	11924	2⅞	3⅞	2⅞	3½
9	5	.	...	Cons. Press	....	(5 bid 6 asked)			
35	33	.	...	Cons. Sand, pf.	....	(31 bid — asked)			
57⅞	51	50c	...	Cons. Smelters	4095	56	56½	55½	56
205½	189	10	4.9	Consumers' Gas	41	203	203	201	202
90	78	7†	8.5	Corr. P. Box, p.	15	80½	82	82	82
22⅞	17½	80c	4	Cosmos Imp.	345	20	20	20	20
103	102	5	4.8	Do. pref.	113	103	103	103	103
17	15	80c	4.9	Crown Cork	450	15	16½	15	16½
2⅞	2	.	...	Crown Dom. Oil	25	2	2	2	2
55	30	3	...	Crow's N. Coal	20	48	55	49	55
				D					
4	2	.	...	David & Fre. A	....	(— bid 2⅞ asked)			
1½	½	.	...	Do. (B)	....	(— bid .90 asked)			
7	2	.	...	De Havilland	25	4	4	4	4
68	40	.	...	Do. (A)	....	(— bid 61½ asked)			
4	4	.	...	Disher Steel	....	(— bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(8 bid 10 asked)			
34⅞	18½	.	...	Distill-Seagram	4438	22⅞	22⅞	20⅞	22⅞
222½	190	10	4.8	Dom. Bank	330	208	208	206	207
40½	32	1.20	3.2	Dom. Bridge	2086	37½	38½	37	38½
17⅞	14	1.50	10	Dom. Coal, pf.	222	16	16	15½	15½
38	26½	.	...	Dom. Engineer	....	(33 bid 34½ asked)			
41	32	.	...	Dom. Foundries	5	37	40	40	40
115	106	5	4.5	Dom. Glass	121	112	111	111	111
150	135	7	4.7	Do. pref.	55	140½	150	150	150
35⅞	33	.	...	Dom. Oilcloth	100	35	34	34	34
100	95	7	7.4	Dom. Rubber, p	....	(90 bid — asked)			
8	3⅞	.	...	Dom. St. & C. B.	1755	4⅞	4⅞	4½	4⅞
12	8	.	...	Dom. Stores	750	8⅞	9½	9½	9½
7½	4⅞	.	...	Dom. Tar & Ch.	365	5½	6½	5⅞	6
80	57	.	...	Do. pref.	35	75	77	76	77
79	63	5	7.8	Dom. Textile	185	65½	66	63	63
148	144	7	4.8	Do. pref.	57	148	147	146	146
9½	4⅞	.	...	Donnacona P. A.	231	5⅞	6	5	6
7½	3⅞	.	...	Do. (B)	40	5½	5½	5½	5½
7	4⅞	.	...	Dryden Paper	555	4⅞	5	4½	5
				E					
2½	1	.	...	East. Koot. Pr.	25	2½	2½	2½	2½
16	5	.	...	Do. pref.	10	6	6	6	6
3½	1⅞	.	...	East. Dairies	....	(2 bid 2⅞ asked)			
16½	11	.	...	Do. pref.	10	11	11	11	11
13⅞	10	.	...	East. Steel	....	(11½ bid 14 asked)			
01	80	7	7.2	Do. pref.	120	101	101	98	98
85	80	7	8.7	East. Theat., pf.	....	(76 bid 85 asked)			
2½	1½	.	...	Easy Washing	25	2½	2½	2½	2½
24	20	62½c	...	Economic Inv.	15	23	23	22½	23
28½	19⅞	1.60+10c	..	Electrolux	330	23	23½	23	23
3	1	.	...	Enam. & Heat.	....	(1 bid — asked)			
24	10½	.	...	Eng. Electric	30	20	20	19	19
12½	7	.	...	Do. (B)	....	(— bid 8½ asked)			
9	6⅞	.	...	European El. A.	....	(2 bid 7 asked)			
35	.35	.	...	Do. Warrants.	....	(.35 bid — asked)			
				F					
21½	18	.	...	Fam. Players	20	18	20	20	20
0	14	.	...	Do. Vot. Tr.	....	(18 bid 23 asked)			
7½	13½	50c	3.7	Fanny Farmer	1460	13⅞	13⅞	13½	13⅞
3	20⅞	75c	3.3	Ford Motors A.	13252	21½	23	21½	22
	.85	.	...	For. Pr. Secs.	....	(.65 bid 1.50 asked)			
8⅞	13	.	...	Foundation Co.	90	14½	15	14½	14⅞
9½	9	.	...	Fraser Cos.	898	14½	13½	12½	13½
	8	.	...	Do. Vot. Tr.	604	12⅞	12⅞	12⅞	12⅞
	.25	.	...	Do. Rights	13954	.52	.70	.49	.50
	55	6	10	Freiman, pf.	....	(— bid 59 asked)			
	2½	.	...	Frost Steel	....	(— bid 5 asked)			
	89	3.50	...	Do. pref.	19	89	94	94	94
				G					
	3	.	...	Gen. St. Wares	275	3	3½	3	3
	47	.	...	Do. pref.	30	50	48	47	47
	64⅞	2.50	3.6	Goodyear Tire	75	70	70	69⅞	69⅞
	53½	2.50	4.3	Do. pref.	441	56½	58½	56½	58
	1	.	...	Gt. W. Saddlery	50	2	2	2	2
	13	.	...	Do. pref.	....	(— bid 25 asked)			
	6½	.	...	Gurd, Chas.	435	7	7	6½	6½
	100	.	7	Do. pref.	....	(93½ bid 100 asked)			
	5½	.	...	Gypsum, Lime	2090	6	6½	6	6½
				H					
6⅞	4	.	...	Ham. Bridge	290	5	5½	5	5½
39⅞	25½	.	...	Do. pref.	160	35	39⅞	36	39½
29½	25½	2	6.8	Ham. Cot., pf.	20	28½	29½	29½	29½
1	⅞	.	...	Ham. U. Theat.	....	(1 bid 2 asked)			
53	40	4	7.6	Do. pref.	10	53	52½	52½	52½
4	2⅞	.	...	Harding Carpet	930	3½	3⅞	3½	3⅞
9	1½	.	...	Hillcrest Coll.	....	(2½ bid 10 asked)			
16	7	.	...	Do. pref.	....	(7 bid 15 asked)			
15½	12	50c	...	Hinde & Dauch.	350	12⅞	13½	13	13
7	7	.	...	Holt Renfrew	....	(4 bid — asked)			
40	30	.	...	Do. pref.	....	(35 bid 40 asked)			
.70	.40	.	...	Honey Dew	100	.50	.50	.50	.50
12	7	.	...	Do. pref.	25	12	11	10	10
14⅞	9½	.	...	H. Smith Pap.	906	10	10½	9½	9½
118	88	2⅞	...	Do. pref.	164	91½	92	90	90
35	29½	2	6.5	Humberstone S.	40	30	30½	30	30
6	4½	.	...	Hunts (A)	115	4½	6	4½	6
6	6	.	...	Do. (B)	....	(6 bid 7½ asked)			
90	74	5	6.7	Huron & E. Mt.	14	75	74	74	74
12⅞	10⅞	.	...	Do. 20% pd.	5	10⅞	11	11	11
10½	6⅞	.	...	Hydro Electric	....	(6⅞ bid 7½ asked)			
				I					
221	198	10	4.8	Imperial Bank	132	209	210	208	210
24½	20½	50+75c	6	Imperial Oil	12097	21	21⅞	20⅞	21
14½	13½	52½c	3.7	Imperial Tob.	6910	14	14	13½	14
7⅞	7	6%	...	Do. pref.	1415	7½	7½	7½	7½
30	19	1	...	Inter. City Bak.	10	25	26	26	26
45	40	4.50	...	Inter'c Coal	....	(— bid 49½ asked)			
115	115	8	6.9	Do. pref.	....	(115 bid — asked)			
b5½	2⅞	.	...	Int. Hyd. E. A.	1800	3	3½	3	3
7½	4	.	...	Int. Metal Ind.	125	5⅞	6½	6	6
42	30	.	...	Do. pref.	20	39½	40	40	40
105⅞	101	5	4.9	Inter. Mill., pf.	30	103	102	101	101
54	43½	1.20	2.5	Inter. Nickel	16203	46⅞	48½	46⅞	47⅞
6	2½	.	...	Inter. Paints	....	(2 bid 4 asked)			
29½	19	1.12½▲	..	Do. pref.	....	(— bid 19 asked)			
b7⅞	3⅞	.	...	Int. Pa. & P. A.	301	4⅞	5	4⅞	4⅞
b4	2½	.	...	Do. (B)	301	2⅞	2⅞	2½	2⅞
b3½	1⅞	.	...	Do. (C)	1900	2	2½	2	2
b36⅞	20½	.	...	Do. pref.	5155	28½	30½	29	29⅞
39⅞	33⅞	1.50+1	6.8	Inter. Pete.	3430	37	36⅞	36½	36½
6	3½	.	...	Inter. Power	185	4	4	4	4
88½	57	6	6.9	Do. pref.	2335	83	86	84⅞	85½
15½	13½	1.12	...	Inter. St. Ry. A.	125	13½	13½	13½	13½
14½	3⅞	.	...	Int. Util. (A)	55	9⅞	9½	9⅞	9½
2.25	.40	.	...	Do. (B)	2280	1.00	1.05	1.00	1.05
				J					
36	33	1.50	4.2	Jam. Pub. Ser.	25	35	36	36	36
127	123½	7	5.5	Do. pref.	7	127	127	127	127
				K					
9	6½	.	...	Kelvinator	30	6⅞	6⅞	6⅞	6⅞
107	105½	7	6.6	Do. pref.	....	(105½ bid — asked)			
				L					
22	16½	.	...	Lake of Woods	261	19½	20½	19½	20½
138	123	1.75	...	Do. pref.	....	(140 bid — asked)			
58	54	5	9.2	Landed Bank	....	(50 bid 82 asked)			
3	3	.	...	Langley's	10	3	3	3	3
50	35	.	...	Do. pref.	15	35	40	40	40
69	64⅞	3	4.3	Laura Secord	150	67	69	67	69
4	2	.	...	Lindsay, C. W.	65	2⅞	3	3	3
41⅞	40	.	...	Do. pref.	....	(47 bid 55 asked)			
21	18⅞	1	4.8	Loblaw (A)	1625	21	21	20⅞	20⅞
19	17½	1	5.3	Do. (B)	1400	18½	19	18½	18⅞
				M					
4	4	.	...	Manitoba Pr.	....	(4 bid — asked)			
.50	.50	.	...	M. L. Gardens	....	(.50 bid 1.50 asked)			
4	2⅞	.	...	Do. pref.	55	3½	2⅞	2⅞	2⅞
2.25	1.00	.	...	Maple Leaf	399	1.00	1.40	1.05	1.05
5⅞	2	.	...	Do. pref.	130	3½	3½	2⅞	2⅞
*12⅞	12	60c	...	Maritime Tel.	....	(13⅞ bid — asked)			
*15	14½	70c	...	Do. pref.	....	(14⅞ bid — asked)			
18	18	.	...	Marcus Loew's	....	(14½ bid 18 asked)			
115	111	7	6.1	Do. pref.	....	(— bid 119 asked)			
7½	4⅞	.	...	Massey-Harris	995	5	5½	4⅞	5
40	29½	.	...	Do. pref.	490	33½	33½	32½	32½
17⅞	12½	80c	5.3	McColl Fron.	1660	15	15½	14⅞	14⅞
105	96½	6	5.8	Do. pref.	175	103	103½	102½	103
13⅞	9	50c▲	...	Melchers (A)	2351	9½	11½	9	11½
5⅞	3½	.	...	Do. (B)	165	3⅞	3⅞	3½	4
13½	9	.	...	Mercury Mills, p	10	10	10	10	10
36	30	1	...	Mitchell, J. S.	10	36	36	36	36
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
8	5½	.	...	Mitchell, Robt.	95	5⅞	6	5½	5⅞
5	3	.	...	Monarch, Knit.	40	4½	3⅞	3⅞	3⅞
95	85	7	7.9	Do. pref.	10	88	90	88	88
35	26	.	...	Montreal Cot.	20	30	32	32	32
100	85	7	7.5	Do. pref.	....	(90 bid 95 asked)			
2½	1⅞	.	...	Mont. Is. Pr.	....	(2 bid 4 asked)			
34	30	1.50	4.8	Mont. L. & Pr.	9764	32	32½	30½	31
26	26	2	7.7	Montreal Loan	....	(26 bid 36 asked)			
9	9	.	...	Mtl. Ref. & S.P.	....	(9 bid — asked)			
2	2	.	...	Do. Vot. Tr.	....	(2 bid — asked)			
60	55½	3.20	5.7	Montreal Tele.	....	(56 bid — asked)			
103	85	9	9.8	Montreal Trams	33	93	93	92	93
39	27⅞	1	2.7	Moore Corp.	490	36	37	36	37
165	146	7	4.5	Do. pref. (A)	6	156	157⅞	157⅞	157⅞
230	175	7	3.2	Do. pref. (B)	19	215	220	215	215
1.00	.25	.	...	Muirheads	50	.40	.40	.40	.40
3½	3	.	...	Do. pref.	....	(3½ bid — asked)			
				N					
45	37	2	4.5	Nat. Breweries	2361	44½	45	44	45
43	39⅞	1.75	4.2	Do. pref.	442	42	42	40	40
7⅞	5	.	...	Nat. Grocers	....	(5½ bid 6 asked)			
135	130	7	5.4	Do. pref.	....	(131 bid — asked)			
20	16⅞	.	...	N. Sew. Pipe A.	60	16⅞	17	16⅞	17
17½	13	.	...	Nat. Steel Car	200	13½	14	13½	14
205	196	8	3.9	National Tr.	....	(210 bid 215 asked)			
57½	34	75c	...	Niag. W. Weav.	151	55	55	53	55
60	56	3	5.3	Do. pref.	17	57½	57⅞	56	56
1.75	.90	.	...	North Star Oil	30	1.55	1.55	1.55	1.55
4.00	3.15	8⅞c▲	..	Do. pref.	465	3.25	3.85	3.75	3.85
75	61	3	4	N. S. L. & Pr.	....	(84½ bid — asked)			
102½	100⅞	6	5.9	Do. pref.	10	100⅞	101⅞	101⅞	101⅞
				O					
240	199⅞	8	3.6	Ogilvie Flour	20	220	220	220	220
165	152*	7	4.2	Do. pref.	77	165	165	165	165
10	6	.	...	Ont. Eq. 10% pd.	95	7	6	6	6
112½	109	6	5.3	Ontario Loan	....	(112 bid 119 asked)			
14½	7	.	...	Ont. Silknit	30	7	7	7	7
90	75	7	8.3	Do. pref.	40	84	75	75	75
12½	12½	.	...	Do. Script.	30	..	12½	12½	12½
8	6	.	...	Ont. Steel	....	(5⅞ bid 6 asked)			
85	74	.	...	Do. pref.	....	(— bid 95 asked)			
.40	.25	.	...	Orange Crush	100	.35	.35	.35	.35
20	6	.	...	Do. 1st pref.	40	22	20	20	20
.75	.40	.	...	Do. 2nd pref.	....	(.75 bid .90 asked)			
95	88	6	6.4	Ott. L. H. & Pr.	35	93	94	94	94
110	101½	6.50	6	Do. pref.	1	110	109	109	109
21	15	2	13.3	Ott. Traction	35	16	16½	15	15
				P					
95	78½	3	3.3	Page Hersey	90	90	90½	88½	90
6⅞	3½	.	...	Pantepec Oil	4835	6	6½	5⅞	5⅞
25	18	.	...	Paton Mfg.	....	(— bid 27 asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
57	48	3	5.8	Penmans	140	53	53	52	52
125	118	6	4.9	Do. pref.	....	(125 bid — asked)			
27	21½	1	4.5	Photo Eng.	130	22½	22½	21½	22
97	85	7	7.7	Porto Rico Pr. p	....	(— bid 84⅞ asked)			
18⅞	11⅞	.	...	Power Corp.	1848	15	15⅞	13⅞	14
101	97½	6	6	Do. pref.	35	99	99½	99	99½
2½	1½	.	...	Prairie C. Oil	....	(1½ bid 1½ asked)			
29½	19	87½+12½c		Pressed Metals	40	27½	28	28	28
6½	2⅞	.	...	Price Bros.	873	3	3	3	3
40	22	.	...	Do. pref.	80	24	24	23	23
				Q					
18	14	1	6.2	Quebec Power	460	15½	17	16	16½
				R					
*58	40	2	...	Real Estate L'n.	....	(— bid 48 asked)			
6½	4½	.	...	Regent Knit.	165	4½	4½	4½	4½
15	12½	.	...	Do. pref.	....	(15 bid 15½ asked)			
10	6	.	...	Reliance Grain	....	(3 bid 6 asked)			
21½	21½	.	...	Remington Rand	....	(19½ bid — asked)			
31	29	2.25c▲	6.4	River. S. Mills	55	30	31	31	31
6½	4	.	...	Rogers Majest.	465	4	4½	4	4
104	95½	6	6	Rolland P., pf.	10	100	100	100	100
182	164	8	4.7	Royal Bank	244	168½	170	168½	170
35	30	.	...	Russell Motor	....	(45 bid — asked)			
115	100	7+1▲	6.4	Do. pref.	....	(106½ bid 109 asked)			
				S					
11	6	.	...	Sarnia Br. (A)	525	7	8	6	7½
3	1⅞	.	...	Do. (B)	....	(2 bid 3 asked)			
23⅞	19	60c	3.1	Shawinigan	3578	20½	20½	19	19½
20	16	.	...	Sher. Wms.	220	16½	16½	16	16½
127½	115	7+1.75▲		Do. pref.	....	(— bid 115 asked)			
12	10	.	...	Simon & Son	....	(9⅞ bid 10½ asked)			
93	85	7▲	...	Do. pref.	....	(90 bid — asked)			
80	73	4	5.3	Simpson, Ltd.	40	77	75	75	75
12	10½	.	...	Do. (A)	....	(— bid 11 asked)			
9	4	.	...	Do. (B)	31	7	7	7	7
117½	111½	6	5.2	Simpson, R., p.	5	117	115	115	115
14	11	80c	7	So. Can. Pr.	1960	11½	12	11½	11⅞
100½	98	6	5.9	Do. pref.	36	100	100½	100	100½
2.75	1.50	.	...	St. Law. Corp.	1405	1.60	1.95	1.60	1.95
11½	8	.	...	Do. (A)	865	10	10⅞	10½	10½
51	40	2	4.3	St. Law. Flour	....	(50 bid — asked)			
125	120	7	5.6	Do. pref.	....	(127 bid 130 asked)			
32	20½	.	...	St. Law. Pap. p.	1040	28½	30½	28½	29½
10	6⅞	.	...	Stand. Chem.	20	8½	9	9	9
2	2	.	...	Stand. Clay	....	(2 bid 9 asked)			
3.75	1.15	.	...	St. Pav. & Mat.	283	1.87	2.37	2.00	2.37
22	12	.	...	Do. pref.	....	(15 bid 18 asked)			
35	20	.	...	Stand. Steel, pf.	5	32	35	35	35
67½	57	1.75‡	2.7	Steel of Can.	1505	62½	63½	62½	63½
60½	49½	1.75	3.1	Do. pref.	1755	56⅞	57	56½	56⅞
4	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
2½	½	.	...	Stop & Shop	....	(.75 bid 1.00 asked)			
2½	2	.	...	Supersilk H.	....	(2⅞ bid 3½ asked)			
72	69	3.50	...	Do. pref.	....	(65 bid 70 asked)			
38	30	1	2.9	Sup. Pete. ord.	70	34½	34⅞	34½	34½
35	32	1	2.8	Do. com.	....	(35 bid 40 asked)			
				T					
40	32½	.	...	Tamblyn	....	(37 bid 40 asked)			
114	110	7	6.2	Do. pref.	....	(110½ bid 113 asked)			
5	1½	.	...	Thayers	....	(2 bid 2½ asked)			
37	30	3.50	11.7	Do. pref.	....	(28½ bid 30 asked)			
3	1½	.	...	Thrift Stores	93	1⅞	1⅞	1½	1½
10	7½	.	...	Do. pref.	....	(— bid 8 asked)			
11	8½	.	...	Tip Top Tailors	25	9	9	9	9
106	102	7	6.6	Do. pref.	35	105	106	105	106
1	1	.	...	Tooke Bros.	....	(1 bid 3 asked)			
22	10½	.	...	Do. pref.	15	13	15½	15½	15½
40	34	1	2.8	Tor. Elevators	....	(34 bid 38 asked)			
119	109	7	6.2	Do. pref.	10	112	114	114	114
95	84	4	4.7	Tor. Gen. Tr.	22	85	85½	84½	84½
120	115	6	5	Toronto Mtge.	....	(120 bid — asked)			
155	150	7	4.7	Tuckett Tob., p.	10	150	150	150	150
12½	8	.	...	Twin City	8	9	8½	8½	8½
				U					
12½	9	10c	...	Union Gas	4255	10½	10⅞	10½	10⅞
20	15	30c	...	Un. Amuse.	....	(19 bid — asked)			
.95	.50	.	...	United Distill.	....	(.50 bid .65 asked)			
29	20	.	...	United Fuel, pf.	157	23	23	21½	22
25	20	2	8.7	United Secs.	....	(24½ bid — asked)			
4⅞	2½	.	...	United Steel	165	2⅞	2⅞	2⅞	2⅞
				V					
3½	2	.	...	Viau Biscuit	5	2½	2½	2½	2½
38	18	.	...	Do. pref.	....	(31 bid — asked)			
				W					
31½	20	.	...	Wabasso Cot.	....	(20 bid 22 asked)			
34⅞	26½	2	7.2	Walker-Good.	2735	28⅞	28⅞	27½	28½
19	17½	1	5.5	Do. pref.	718	18½	18½	18	18
3⅞	2	.	...	Walkerville Br.	730	2½	2½	2⅞	2½
2½	1½	.	...	Waterloo Mfg.	129	1½	1½	1½	1½
10	4½	.	...	West. C. Flour	90	5⅞	5½	4⅞	4⅞
65	36	.	...	Do. pref.	....	(43 bid 47 asked)			
51	46½	2	3.9	West. Grocers	....	(50 bid 52 asked)			
110⅞	107	7	6.4	Do. pref.	30	110	110	110	110
17⅞	13½	80c	5.2	Weston Ltd.	875	15	15⅞	15	15
102	98	5	5	Do. pref.	45	99½	100	99½	99⅞
1.15	1.15	.	...	Windsor Hotel	5	1.15	1.15	1.15	1.15
4½	4	.	...	Do. pref.	25	4½	4½	4½	4½
4½	2⅞	.	...	Winnipeg Elec.	290	3	3½	3	3½
3⅞	2⅞	.	...	Do. (A)	....	(2⅞ May 27)			
18	10	.	...	Do. pref.	30	12½	13	13	13
53	38	.	...	Wood, A. & J. p	....	(— bid 47 asked)			
67½	50	.	...	Woods Mfg., pf.	25	50	50	50	50
				Z					
3	2⅞	.	...	Zimmerknit, c.	102	3	3	3	3
69	60	3.50▲	..	Do. pref.	....	(65 bid 85 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.

† Plus $33.25 on arrears. Comprising one funding right for each preferred share.

▲ On account of arrears.

b New York quotations

§ Plus one-eighth share of preferred stock, plus one share of common stock, all payable in settlement of arrears.

‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

June 17, 1936

Dominion of Canada Bonds

			Bid June 17	Asked June 17	Approx. Yield	Bid June 10
†‡Dominion	5	1 Mar. 1937	103.05	103.50	...	103.25
‡Dominion	5½	1 Dec. 1937	106.75	107.15	.52	106.85
Dominion	2½	15 Oct. 1939	102.90	103.40	1.46	102.90
Dominion	4	15 Oct. 1939	107.90	108.40	1.41	107.90
Dominion	2	15 Nov. 1939	101.50	102.00	1.40	101.50
Dominion	1½	1 June 1940	99.85	100.35	1.41	99.90
Dominion	4½	1 Sept. 1940	110.55	110.95	1.79	110.25
Dominion	5	15 Nov. 1941	114.50	115.00	2.06	114.10
Dominion	3	15 Oct. 1942	105.50	106.00	1.99	105.30
Dominion	2½	1 June 1943	103.00	103.50	1.96	102.85
Dominion	5	15 Oct. 1943	115.50	116.00	2.58	115.10
Dominion	4½	15 Oct. 1944	113.65	114.15	2.60	113.15
▪Dominion	2½	15 Aug. '43-45	99.35	99.85	2.52	99.35
Dominion	4	15 Oct. '43-45	109.35	109.85	2.52▲	109.00
Dominion	4½	1 Feb. 1946	113.65	114.15	2.82	113.15
Dominion	3½	15 Oct. '44-49	105.50	106.00	2.69▲	104.55
Dominion	4	15 Oct. '47-52	108.50	109.00	3.07▲	108.15
Dominion	3	1 June '50-55	99.65	100.15	2.99▲	99.00
Dominion	4½	1 Nov. '46-56	111.50	112.00	3.15▲	110.75
Dominion	4½	1 Nov. '47-57	111.50	112.00	3.24▲	110.75
Dominion	4½	1 Nov. '48-58	111.85	112.35	3.29▲	111.15
Dominion	4½	1 Nov. '49-59	112.00	112.50	3.34▲	111.35
▪Dominion	3¼	15 Jan. '56-61	101.50	102.00	3.12▲	101.00
Dominion	3¼	1 June '56-66	100.30	100.80	3.19▲	99.60
		Dominion Guaranteed Bonds				
*G. T. P. Ry.	3	1 Jan. 1962	99.75	100.75	2.96	99.75
Can. N. Ry.	3	1 May 1944	103.75	104.75	2.34	103.25
Can. N. Ry.	3	15 Dec. '45-50	99.25	100.25	2.97▲	99.00
Can. N. Ry.	3	15 Feb. '48-53	99.25	100.25	2.97▲	98.00
*Can. N. Ry.	4½	1 Sept. 1951	115.75	116.75	3.13	115.25
*Can. N. Ry.	4½	1 Feb. 1956	116.25	117.25	3.32	115.75
†Can. N. Ry.	4½	1 July 1957	113.50	114.50	3.53	113.00
*Can. N. Ry.	4¾	15 June 1955	118.25	119.25	3.37	117.75
Can. N. Ry.	5	1 Feb. 1954	118.00	119.00	3.57	117.50
*Can. N. Ry.	5	1 July 1969	118.25	119.25	2.88▲	118.00
*Can. N. Ry.	5	1 Oct. 1969	120.50	121.50	3.31▲	119.75
*M. Harb. C.	5	1 Nov. 1969	120.50	122.00	3.27▲	119.75
		Provincial Government Bonds				
Eastern—						
N. Bruns.	4	1 Sept. 1954	105.00	106.00	3.56	105.00
†N. Bruns.	4½	15 Apr. 1961	110.75	111.75	3.77	110.50
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.93	115.25
N. Scotia	3	2 Sept. 1945	99.50	100.50	2.94	99.50
N. Scotia	4½	15 May 1943	108.50	109.50	2.98	108.00
†N. Scotia	4½	15 Sept. '47-52	110.00	111.00	3.34▲	110.00
†N. Scotia	5	1 Mar. 1960	117.00	118.00	3.84	117.00
*Ontario	4	1 June 1962	107.00	108.00	3.53	106.50
*Ontario	4½	1 Sept. 1944	112.00	113.50	2.65	110.75
Ontario	4½	1 June 1950	111.25	112.25	3.39	110.50
*Ontario	4½	15 Jan. 1962	113.00	114.50	3.63	112.00
Ontario	5	15 Oct. 1948	114.75	115.75	3.44	113.50
*Ontario	5	2 Dec. 1960	119.50	121.00	3.69	118.75
Ontario	5½	1 July 1946	116.75	117.75	3.47	116.25
O. H. C.	3½-4-5	1 Oct. '33-52	102.25	103.25	4.19•	102.25
Ont. Hyd. C.	4¾	1 Jan. 1970	113.50	115.00	3.94	113.25
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec	4	15 Mar. 1962	107.00	108.00	3.35	107.25
Quebec	4¼	1 Aug. 1958	110.00	111.00	3.54	110.50
Quebec	4½	2 Jan. 1963	111.50	113.00	3.73	112.50
Western—						
Alberta	4	15 Dec. '49-54	65.00	70.00	...	70.00
†Alberta	4	1 Dec. 1957	65.00	70.00	...	70.00
Alberta	4½	1 Oct. 1951	70.00	75.00	...	75.00
†Alberta	4½	1 Oct. 1956	68.00	72.00	...	70.00
†Alberta	5	1 Jan. 1948	68.00	73.00	...	70.00
Alberta	5	1 Sept. 1955	68.00	72.00	...	70.00
*Alberta	5	1 Oct. 1959	68.00	73.00	...	70.00
†Alberta	5½	1 Jan. 1947	70.00	75.00	...	70.00
Alberta	6	1 Mar. 1947	73.00	77.00	...	74.00
†Brit. Col.	4	1 Dec. 1957	83.00	86.00	5.08	87.00
*Brit. Col.	4½	15 Jan. 1951	89.00	92.00	5.27	92.00
†Brit. Col.	4½	1 Oct. 1953	88.00	91.00	5.29	90.00
†Brit. Col.	5	15 Jan. 1948	92.00	95.00	5.57	94.00
Brit. Col.	5	1 Sept. 1953	90.00	93.00	5.63	92.00
Brit. Col.	5½	1 Feb. 1945	92.00	94.00	6.42	93.00
Brit. Col.	6	15 Feb. 1947	94.00	96.00	6.51	94.00
Manitoba	4	2 Jan. 1950	97.00	99.00	4.09	98.00
†Manitoba	4	1 Dec. 1957	97.00	99.00	4.07	98.00
†Manitoba	4½	15 Dec. 1956	100.00	102.00	4.35	101.00
†Manitoba	5	15 June 1954	106.00	108.00	4.36	106.50
*Manitoba	5	2 Dec. 1959	107.50	108.50	4.42	107.50
Manitoba	5½	1 Oct. 1955	104.00	105.50	5.05	105.00
Manitoba	6	1 Apr. 1947	104.50	106.00	5.27	105.00
Sask.	4	15 Aug. 1953	83.00	85.00	5.32	85.50
Sask.	4	1 Nov. '55-60	82.00	84.00	5.16	84.00
*Sask.	4½	2 July 1945	93.00	95.00	5.20	94.00
†Sask.	4½	1 Oct. 1951	92.00	93.50	5.11	92.00
†Sask.	4½	15 Mar. 1960	89.00	91.50	5.12	90.00
Sask.	5	1 Aug. 1958	90.00	93.00	5.55	94.00
†Sask.	5½	15 Nov. 1946	95.00	98.00	5.75	96.50
Sask.	5½	1 Oct. 1952	95.00	97.00	5.78	96.00
Sask.	6	15 Mar. 1952	98.00	100.00	6.00	98.00
		Municipal Bonds				
†Edmonton	5½	1 Nov. 1945	74.00	79.00	8.85	.....
†Halifax	5	1 July 1961	113.50	115.00	4.04	112.50
Hamilton	5	1 May 1950	108.75	110.75	3.98	108.75
Montreal	5	1 Mar. 1945	102.00	104.00	4.43	104.00
Ottawa	4½	1 July 1945	109.50	111½	3.03	108.00
†Quebec	5	1 June 1959	106.00	108.00	4.44	107.00
Regina	5	1 July 1944	70.00	80.00	8.48	70.00
St. John	5	15 Dec. 1950	107.50	109.00	4.17	107.50
†Toronto	4½	1 Jan. 1955	111.50	113.50	3.50	111.00
Vancouver	5	1 June 1969	79.00	85.00	6.05	79.00
Victoria	5	21 July 1945	80.00	90.00	6.46	86.00
Winnipeg	5	1 Mar. 1944	103.00	106.00	3.97	104.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Corporation Bonds

Supplied by Toronto Bond Traders' Association

June 16, 1936

Public Utility Issues:	Int. Rate %	Due	Bid June 16	Asked June 16	Bid June 9
Ass. Tel. & Tel.	5½	'55	85½	88½	85
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois P.	5	'73	28½	31½	29
Do. L. H. & P.	5½	'73	87	90	87½
*Bell T'phone	5	'55	114½	117½	114½
*Do.	5	'57	119½	122½	119½
†B. C. Power	5	'60	104	107	103½
†Do.	5½	'60	106	109	105½
B. C. T'phone	5	'60	106½	109½	106½
†Calgary Power	5	'60	99½	102½	99
Do.	5	'64	96	99	95
†Can. Nor. Pwr.	5	'64	103	105½	103
Dom. Gas & El.	6½	'53	91½	94½	91
*Gatineau Pr.	5	'56	97½	100½	96½
*Do., A	6	'41	95½	98½	91½
*Do., B	6	'41	94½	97½	91½
*Int'l. Hydro	6	'44	42	45	39
Int'l. Pwr.	6	'57	95½	98½	95
Do.	6½	'57	100	103	98
†Maclaren-Que.	5½	'61	77½	80½	76
Maclaren-Que.	5½	'64	76½	79½	74
†Mtl. Island Pr.	5½	'57	104	107	104
†Mtl. L. & H. Pr.	3½	'56	102½	105	102
Montl. Tram.	5	'41	102	105	101½
Do.	5	'55	82	85	83
Nat'l. L. & P.	6	'49	98	101	97½
†N.S. L. & P.	5	'58	105	108	105½
†Ottawa Light	5	'57	107	110	107
Ottawa Tract.	5½	'55	100	103	100
Ottawa Val. Pr.	5½	'70	73	76	...
†Power Corp.	4½	'59	96	99	95½
*Quebec Pr.	5	'68	105½	108½	104½
Saguenay Pr.	4½	'66	100½	103½	100
†Shawinigan	4	'61	97½	100½	97½
Do.	4½	'70	103½	106	103½
South. Can. Pr.	5	'55	105½	108½	105½
†United Secs.	5½	'52	83	86	83½
*Winnipeg Elec.	5	'54	81½	84½	81½
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	46	49	45½
†Acadia Sugar	4½	'55	100½	103½	101
†Alta. P. Grain	6	'46	98	101	98
†Asbestos Corp.	5	'42	105	...	105
B. A. Oil	4	'45	104½	107	104
Can. Biscuit	6½	'46	25	28	25
Can. Bread	6½	'41	108½	111½	108½
†Can. Cement	5½	'47	106	108½	106
†Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines	5	'43	102½	...	102½
Do.	6	'41	55	58	56
†Can. Canners	6	'55	...	...	105
*Can. Int. Paper	6	'49	89½	92½	87
C. P. R.	3½	'51	95	97½	95
Do.	4	'49	103½	106	103½
Do.	4½	'44	100	103	100
Can. Rail & H.	6½	'51	62½	65½	62½
†Can. Vickers	6	'47	89½	92½	88½
Cons. Paper	5½	'41	41½	44½	39½
Dom. Coal	5	'40	94	97	...
†Dom. Tar	6	'49	104½	107½	104½
†Donnacona P.	5½	'48	74	77	73
†East. Dairies	6	'49	84½	87½	84½
†Fam. Players	6	'48	...	...	105½
†Do.	6½	'48	...	...	105½
†Federal Grain.	6	'49	100	103	100
Fraser Cos.•	6	'50	117	120	113
†G. Steel Wares	6	'52	102½	105	102
Gt. Lakes Pwr.	6	'50	53	56	53
†Gypsum, Lime	5½	'48	98	101	96½
Ham. Cottons	5	'48	102½	105½	102½
Ham. B. P. C.	5	'50	97½	100½	97½
*Hind & Dauch	5½	'48	102½	105½	102½
Int. P. & P. N.	5	'68	107½	...	105½
Inter. City Bak.	5½	'48	103	...	103
Inter City W. B.	6½	'50	34	37	32
Kingston Elev.	6	'50	96	99	96
Lake St. John P. & P.	6½	'47	104	107	102½
Do.	6	'24	65	68	60
†Lon. Can. Inv.	4½	'48	89	92	89
Maple Leaf M.	5½	'49	46	50	45½
†Massey Harris.	5	'47	88	91	88½
Industrial and Realty Issues:					
McColl-Front	6	'49	104½	106½	104½
†Mercury Mills.	5½	'53	59	62	59
M. & O. Paper	6	'45	33½	36½	32½
Mont. D. Docks	6	'48	81	84	...
Nat. Grocers	4	'36-47	100½	...	100½
Nor. Ont. Bldg.	6½	'39	96	100	96
Price Bros. bds.	6	'43	124½	127	124½
*Prov. Paper	5½	'47	101½	104½	102
Queen's Hotel.	6	'47	94	98	94
*Reliance Grain	6	'48	103	106	103
Restigouche	6	'48	99½	102	99
Rich. B. Bldg.	6½	'47	99	102	99
†Riordon Pulp	6	'42	104½	...	104½
Ritchie Cut Stone	6½	'48	94½	...	94½
†Rolland Paper.	5½	'48	104½	107½	105
Ruddy & Co.	6½	'48	98½	101½	98½
†Simpsons Ltd.	6	'49	104½	107½	104½
†Smith, Howard	5½	'53	105½	108½	105½
‡Steel of Can.	6	'40	112½	115½	113
Twin City Rapid Tr'sit.	5½	'52	81	84	81
United Amuse.	5	'46	98½	101½	98½
United Corp.	5	'53	94	97	94
Unit. Grain G.	5	'48	98	101	98
Do.	5½	'49	102	105	102
Union Gas	4½	'43-50	...	...	...
Western Grain.	6	'4850	82	85	...
Zimmerknit	6	'51	99	102	99

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S. •Unstamped.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 16, 1936

	Bid	Asked
INDUSTRIAL STOCKS:		
Acadia Sugar, com.	4.00	4.40
Do., pfd.	4.75	5.10
Acme Farmers Dairy, pfd.	37.00	40.00
Algoma Steel, new pfd.	....	60.00
Andian National	40.00	51.00
Assoc. Tel. & Tel., pfd.	40.00	45.00
B. C. Pulp & Paper, pfd.	8.00	9.00
Burns & Co., "A"	10.50	11.50
Do., "B"	5.50	6.00
Canada & Dom. Sugar	58.00	60.00
Canada Starch, pfd.	93.00	97.00
Canada Tea, pfd.	35.00	....
Can. Tube, 1st pfd.	46.00	....
Can. Wire & Cable, pfd.	103.00	105.00
Can. Industries, A com.	218.00	....
Do., B com.	215.00	220.00
Do., pfd.	137.00	160.00
Can. Ingersoll Rand	....	118.00
Can. Power & P. Inv., pfd.	5.50	8.00
Can. Westinghouse	58.00	61.00
Chase, A. W., pfd. bonus	24.75	26.00
Conduits Nat., new com.	2.90	3.35
Dom. Found. & Steel, com. (New)	27.00	41.00
Do., pfd. (New)	89.50	94.00
Dom. Rubber, pfd.	99.00	101.00
Dunlop Tire, pfd.	71.00	....
East. Dairies, pfd.	9.00	12.50
Edmon. City Dairy, pfd.	60.50	....
Federal Grain, com.	1.50	2.00
Do., 6½% pfd.	58.00	61.00
Goderich Elevator	9.25	10.50
Greening Wire, pfd.	103.00	108.50
Guelph Carpet, pfd.	104.00	105.50
Do., com.	16.50	18.50
Highland Dairy, com.	2.25	3.00
Do., pfd.	74.00	78.50
Inter City Baking, com.	26.00	30.00
McLaren Power, com.	9.50	11.50
N. Meth. Laund., pfd. bonus	75.50	80.00
Ont. Tobacco Plant, pfd.	....	35.00
Prov. Paper, pfd.	100.50	103.50
Reliance Grain, pfd.	84.00	87.00
Rob. Consol. Cone	8.75	9.75
Ruddy, E. L., pfd.	38.00	41.00
Silverwood's Dairies, pfd.	43.50	46.00
Stand. Fuel, pfd. bonus	105.00	107.00
Supertest Petroleum, B pfd.	28.50	29.50
Toronto Carpet, pfd.	35.00	....
Toronto Housing	....	11.00
United Steel, A pfd.	....	6.50
West. Grain, pfd. bonus	....	18.50
Willards Chocolates, pfd.	15.00	....
TRUST & LOAN STOCKS:		
Chartered Trust	80.50	83.50
Guelph Ont. Inv. Par	47.00	51.00
London & West. Trust	55.00	58.00
Premier Trust	....	....
Sterling Trust	36.50	....
Traders Fin., B pfd. bonus	81.00	88.00
Trusts & Guarantee	41.00	43.50
Waterloo Trusts	95.00	....
INSURANCE STOCKS:		
British America	44.00	47.00
Canada Life	328.00	340.00
Canadian Fire	76.00	80.00
Can. Ins. Shares	12.00	15.00
Confed. Life 20% pd.	117.00	121.00
Continental Life 20% pd.	35.00	40.00
Crown Life	120.00	....
Dominion Fire	117.00	....
Dominion Life 50% pd.	250.00	300.00
Dom. of Can. Gen.	117.00	123.00
Empire Life 25% pd.	7.00	9.00
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25% pd.	39.00	....
Fidelity Ins. of Can.	48.00	50.00
Great West Life	390.00	400.00
Guar. Co. of N. A. fully pd.	240.00	....
Halifax Fire	22.25	23.75
Imperial Life	340.00	....
Manufacturers Life	260.00	266.00
Monarch Life 10% pd.	19.75	21.50
National Life 25% pd.	49.00	53.00
Sovereign Life 25% pd.	16.00	18.50
Sun Life	490.00	....
Toronto General Ins.	4.50	5.00
Western Assur., com.	45.00	47.00
Do., pfd.	41.00	45.00
THEATRE STOCKS:		
Allens Beach, pfd.	59.00	65.00
Do., Calgary, com.	5.50	7.00
Do., Kingston, pfd.	56.00	....
Do., Parkdale, pfd.	60.00	....
Do., Toronto, pfd. bonus c.	28.00	34.00
Eastern Theatres, com.	4.25	5.00
Do., pfd.	75.25	80.00
Loew's London, pfd.	2.75	3.50
Do., Toronto, pfd.	111.00	115.00
Mansf. Theatre, pfd.	30.00	....
Paramount Kitchener, pfd.	45.00	....
Do., Oshawa, pfd.	90.00	93.00
United Amusement, A	....	19.00
Do., B	15.25	17.00
INVESTMENT TRUST SHARES:		
Can. Gen. Invest.	8.00	8.20
Can. Investors Corp.	6.75	8.00
Can. Int. Inv. Trust Units	55.50	....
Cons. Div. St. Sec. Units	13.25	15.00
Debenture & Sec., pfd.	61.00	....
Dom. Scott. Inv. Units	33.00	36.00
For. Power Sec., pfd.	12.00	15.00
Invest. Found. Units	49.50	52.00
Sec. Holding Units	21.00	25.00
United Corpns., Ltd., A	22.00	23.50
Do., B	6.75	8.00
POWER ISSUES:		
Calgary Power, pfd.	....	....
Can. Light & P., com.	20.00	24.00
Can. West, Nat. Gas, pfd.	93.00	95.50
Do., com.	22.00	24.00
Great Lakes Pwr., pfd.	89.00	92.50
Inter. Util., 7.00 pfd.	78.50	....
Nor. Ont. Power, pfd.	101.00	103.00
Nova Scotia L. & P., pfd.	101.00	103.00
Do., com.	83.00	86.00

Unlisted Mines

June 16, 1936

	Bid	Asked
Albany River	.75	.78
Ardeen	.18	.21
Area	.04¾	.05¾
Arrow Head	.37	.40
Athabaska	.22	.24
Athona (Gt. B. L.)	.48	.51
Bailor	.06½	.07½
Bankfield Gold	.63	.71
Bidgood Kirkland	2.00	2.05
Big Master	.44	.47
Blue Star	.41	.43
Bosquet Gold	.13	.15
Big Long Lac	.08½	.09½
Brae Breest	.12½	.13¼
Callinan Flin Flon	.21	.22
Can. Kirkland	.04	.04½
Capital Rouyn	.23	.25
Casey Contact	.06	.07
Casey Summit	.25½	.27½
Central Porcupine	.58	.61
Chromium	2.15	2.30
Coin Lake	.26	.28
Columario	.03¼	.04¼
Cuniptau	.37	.40
Dunlop, new	.10	.12
Dorval Siscoe	.23	.25
East Malartic	.57	.60
Frontier R. Lake	.18	.20
Gilbec	.06	.07
Gillies Lake	.89	.92
Glenora	.35	.38
Gold Eagle	2.20	2.25
Goldside	.19	.21
Golden Crest	.26	.28
Golden Gate	.37	.40
Golden Rose	1.35	1.45
Gordon Lebel	.38	.41
Horseshoe	.07	.08
Hudson Patricia	.10	.11
Jellicoe	.21	.23
Johnson Nipigon	.10	.11
Kaw Crow	.25	.28
King Kirkland	.08¼	.09¼
Lafayette L. Lac	.05	.06
Lamaque Gold	5.60	5.80
Lapa Cadillac	.33	.35
Leitch Gold	.63	.65
Long Lac Lagoon	.10	.12
Madsen Red L.	.59	.61
Manitoba Basin	.07	.08
Magnet Lake	.12	.14
Martin Mc.	.50	.52
Matachewan Can.	.15	.17
May Spiers	.39	.41
McCarthy Webb	.37	.40
Mosher	.51	.54
Moffatt Hall	.12	.14
Moffatt Hall (new)	.42	.44
Murmac	.18	.19
Matalac	.23	.25
North Shores	.03	.04
Oklend	.44	.47
Opemiska	1.35	1.45
Oriole	.07¼	.08¼
Paulore	.30	.32
Porcupine Gold R.	.05	.06
Proprietary M.	...	.48
Queen Lebel	.13	.15
Ricard Ramour	.65	.68
Rice Lake	.07½	.08½
Rubec	.12¼	.13¼
Sand River	.38	.40
Skookum	.31	.37
Smelter Gold	.11	.13
South Keora	.19	.21
Spooner	.20	.22
Springer	.10	.12
Straw Lake	.14	.18
Sturgeon R. Gold	.30	.33
Wendigo	.14	.16
W. Red Lake	.11	.12
West Side L.	.18	.19½
White Horse	.17	.19
Winoga	.35	.37
Young Davidson	.21	.23
Young Shannon	.20	.23

Mining Stock Quotations

WEEK ENDING JUNE 15, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close June 8 (or last)	High for week	Low for week	Close June 15
.	.12	.04	Afton (Ex dis)	490,600	.08	.08½	.06	.06½
No	.24	.07	Aldermac	583,663	.20½	.24	.20	.22
1	.04½	.01½	Alexandria	57,800	.03½	.03½	.03	.03
No	.12½	.03½	Algoma	63,100	.09½	.10½	.09½	.09½
No	5.50	4.10	Anglo-Huronian	645	5.10	5.30	5.00	5.25
1	1.60	1.15	Argosy	8,275	1.40	1.54	1.42	1.53
No	.12	.02	Arno	20,300	.06½	.09	.06½	.08½
1	.97	.65	Arntfield	3,700	.80	.80	.77	.77
1	.25	.06½	Ashley	20,150	.11	.14	.10	.13½
1	.06½	.02½	Astoria Rouyn	85,900	.05½	.06½	.05	.06
1	.11½	.05½	Bagamac	247,700	.10½	.10½	.08½	.08½
1	.10	.03½	Barry Hollinger	75,050	.07½	.09	.06	.06½
1	.40	.14	Base Metals	41,650	.17	.18	.14	.15
1	.62	.28	B.E.A.R.	87,210	.48½	.62	.47	.59
No	1.84	1.20	Beattie Gold	24,250	1.23	1.43	1.23	1.35
1	.47	.30	Beaufor Gold	21,000	.42	.42	.40	.41
1	.76	.50	Big Missouri	33,296	.60	.64	.61	.61
1	.24	.13	Bobjo	148,400	.18	.22½	.18	.21
No	8.60	5.55	Bralorne	1,675	8.40	8.50	8.10	8.20
1	.40	.15	Brazil Gold	1,000	.17	.15	.15	.15
1	.13	.02	Brett Trethewey	44,200	.08½	.10	.08	.09½
50c.	.25½	.09	B.R.X. Gold	9,050	.13	.14½	.12½	.14½
1	.05	.01	Brownlee	74,000	.03	.03½	.02½	.03
1	8.00	3.80	Buffalo Ankerite	7,675	7.40	7.75	7.40	7.60
No	.13	.02	Buffalo Can.	39,100	.09	.09½	.08	.08½
5	37.00	31.00	Bulolo Gold	858	35.00	33.25	32.00	33.00
.	.13	.10	Do., warrants	186	......	.13	.10	.11
No	.18	.06	Bunker Hill	15,360	.12½	.14	.12	.13
No	1.45	.95½	Can. Malartic	47,450	1.08	1.24	1.10	1.24
1	.20	.19	Capital Rouyn	200	.20	.19	.19	.19
1	1.80	1.15	Cariboo Gold	3,100	1.60	1.80	1.68	1.77
1	.15	.02	Cartier Malartic	80,400	.11	.11	.08½	.09½
1	1.69	1.24	Castle Trethewey	32,050	1.52	1.58	1.50	1.52
1	.43	.11½	Cen. Manitoba	394,785	.26	.43	.25	.40
1	4.25	2.41	Cen. Patricia	82,535	3.80	4.25	3.83	4.00
No	.09½	.03½	Church M. & Mill	33,400	.06½	.07½	.06½	.07
No	.14	.03	Clericy	358,345	.07	.11	.07	.10
5	4.50	2.25	Coast Copper	75	2.25	2.50	2.25	2.25
1	.03½	.01½	Cobalt Contact	34,200	.02½	.02½	.02½	.02½
5	4.25	2.80	Coniagas	1,500	4.00	3.75	3.50	3.50
No	2.75	1.80	Coniaurum	7,745	2.20	2.23	2.15	2.20
1	2.30	1.15	Con. Chibougamau	37,995	1.81	1.95	1.72	1.75
25	57.75	51.00	Cons. Smelters	4,095	56.00	56.25	55.25	56.00
No	61.25	41.75	Dome Mines	3,365	59.00	59.87	58.50	58.50
1	.07	.04½	Dom. Explorers	4,350	.05½	.06½	.05½	.05½
1	.10½	.04	Duparquet	31,900	.05	.06	.05½	.05½
1	1.38	.90	Eldorado	15,295	.93	.94	.90	.91
No	9.50	6.90	Falconbridge	6,620	7.80	8.20	7.75	8.00
1	.10	.03	Federal	272,595	.07½	.09½	.07½	.09
No	.44	.14½	Francoeur Gold	61,000	.20	.20	.14½	.15
1	.11	.04½	Franklin Gold	89,100	.05	.05½	.04½	.04½
No	1.45	.75	God's Lake	187,686	1.00	1.26	1.00	1.20
1	.49	.14½	Goldale	331,900	.38	.49	.38	.40
50c	.56	.30	Gold Belt	1,800	.50	.49	.48	.49
1	.26½	.06	Goodfish	31,150	.20	.21	.16	.19
1	.20	.03	Graham Bosquet	98,610	.17½	.20	.15	.15
1	.40	.17	Granada Gold	164,301	.30½	.40	.30	.37
No	.13½	.05½	Grandora	2,000	.10	.10½	.10	.10
1	.73	.21	Greene Stabell	121,391	.60	.63	.57	.58
1	.09	.04	Grozelle	12,200	.06	.07½	.06	.06½
1	.12	.08	Grull Wihksne		(.08 bid .11 asked)			
1	1.20	.75	Gunnar Gold	27,900	1.00	1.10	1.00	1.08
1	.10½	.02	Halcrow Swayze	49,200	.07	.09½	.07½	.09
1	3.20	.30	Hard Rock	192,800	2.55	2.72	2.34	2.36
1	.18½	.07	Harker	59,500	.15½	.16	.12	.15
5	17.25	13.50	Hollinger	11,286	16.12	16.25	15.87	16.00
1	.93	.55	Howey Gold	65,275	.78	.82	.77	.79½
No	28.25	22.87	Hudson Bay	1,603	25.50	25.25	24.65	25.25
1	14.25	11.00	Inter Mining		(11.00 Apr. 28)			
1	4.50	4.10	Do., Pur. Warr.		(2.75 bid ... asked)			
No	54.00	43.50	Int. Nickel	16,203	46.87	48.25	46.65	47.75
1	.65	.28½	J. M. Cons. Gold	69,435	.60	.61	.55	.60½
1	.65	.40	Kerr Lake	125	.62½	.50	.50	.50
1	1.27	.30	Kirk. Hud. Bay	70,350	1.10	1.27	.82	.93
1	.94	.40	Kirkland Lake	152,690	.65	.79	.65	.69
...	.12	.03½	Kirk. Premier	5,600	.10	.12	.10½	.12
1	.31	.14½	Kirk. Townsite	3,700	.24	.25	.23	.23
No	.18½	.03	Lake Maron	688,900	.14½	.18½	.12	.17½
1	60.00	51.75	Lake Shore	3,274	59.00	60.00	59.25	59.75
1	.22	.05	Lamaque Contact	1,037,025	.11½	.22	.11½	.20½
1	1.38	1.03	Lava Cap G.	15,400	1.30	1.30	1.22	1.23
1	.29½	.12	Lebel Oro	183,962	.25	.26½	.22½	.26
1	.06½	.02½	Lee Gold	533,950	.04½	.06½	.03½	.05½
No	7.75	6.05	Little Long Lac	8,440	6.85	6.95	6.65	6.65
1	4.90	3.12	Macassa	104,647	4.60	4.90	4.45	4.50
1	.07	.01½	Malrobic	93,600	.04½	.04½	.03½	.03½
No	.33	.12	Mandy	5,000	.23	.27	.20	.22½
No	.25	.05½	Man. & Eastern	109,900	.21	.23½	.20	.22½
1	.26	.05½	Maple Leaf	17,585	.19	.20	.19	.19
5	49.25	40.00	McIntyre	3,086	45.62	46.25	44.75	44.75
1	2.12	1.22	McKenzie R. L.	243,930	1.60	2.12	1.69	2.10
1	.65	.45	McKinley	350	.60	.65	.63	.63
...	5.00	3.90	McLeod Cockshutt	423,570	3.91	3.95	3.75	3.85
1	.14	.02	McMillan	124,100	.04	.05½	.04	.05
No	1.78	1.19	McWatters	175,878	1.44	1.78	1.40	1.65
1	.42	.21	McVittie	22,618	.26	.28	.25	.25
5	1.50	.50	Mentor Exp. & Dev.	500	1.50	1.50	1.50	1.50
No	1.50	1.10	Mining Corp.	12,275	1.20	1.38	1.20	1.35
No	1.00	.07½	Minto Mines	6,100	.75	.75	.69½	.70
1	.16	.06	Moffatt Hall	29,300	.14	.14	.12	.13
1	.80	.56	Morris Kirk.	16,850	.60	.60	.56	.58
1	.33	.06½	Moneta	63,000	.25½	.28	.24	.27
1	.07½	.00½	Murphy	131,900	.05	.05½	.04⅞	.05½
No	.04½	.02	Newbec	20,000	.03½	.03½	.03	.03½
1	.06½	.01½	Night-Hawk Penn.	68,400	.04½	.04½	.03½	.03½
5	3.05	2.35	Nipissing	450	2.40	2.45	2.35	2.45
No	59.50	44.50	Noranda	10,078	59.50	58.62	57.50	58.25
No	.63	.28½	Nor. Canada	18,308	.55	.60	.55	.56
1	2.90	.34	O'Brien	127,200	2.48	2.65	2.37	2.55
1	.80	.40	Omega	118,914	.78	.85	.75	.76
1	.18	.07	Osisko	2,600	.15	.15	.14	.15
No	5.20	3.50	Pamour	31,721	4.55	4.70	4.55	4.60
1	.31½	.18½	Parkhill	33,200	.18½	.20	.18⅜	.19
1	.11	.02½	Pawnee Kirk.	292,050	.08½	.11	.08	.09½
1	1.20	.50½	Paymaster	59,531	1.06	1.09	1.01	1.01
1	1.20	.73	Pend Oreille	4,850	.75	.82	.73	.82
1	1.75	1.12	Perron Gold	34,925	1.39	1.60	1.40	1.45
1	.04⅞	.02	Peterson Cobalt	8,500	.03	.02⅞	.02⅜	.02⅜
1	6.90	3.95	Pickle Crow	23,063	6.45	6.50	6.25	6.25
1	12.00	9.00	Pioneer Gold B.C.	3,529	9.10	9.20	9.05	9.10
1	.15	.04	Porcupine Crown	163,900	.09½	.12½	.09½	.11½
1	2.48	1.80	Premier Gold	4,250	2.38	2.48	2.40	2.45
1	2.05	.21	Preston E. Dome	225,545	1.84	1.90	1.75	1.80
No	3.25	2.10	Prospectors Air's.	4,395	2.26	2.50	2.28	2.40
1	1.40	.75	Quebec Gold	12,325	.82	.85	.82	.85
1	.65	.40	Do., Rights	6,439	.56	.55	.50	.55
No	.07½	.02	Quemont	1,300	.06	.07	.05½	.07
1	2.78	1.43	Read Authier	74,915	2.60	2.78	2.55	2.57
1	1.62	.50	Red Lake	77,725	1.46	1.56	1.46	1.51
1	1.35	1.00	Reno Gold	8,250	1.35	1.35	1.29	1.31
1	.13½	.01	Ritchie	173,300	.10	.10½	.09	.09½
1	.09	.04	Robb Montbray	42,100	.05	.05½	.05	.05⅛
1	.28	.05½	Roche Long Lac	45,850	.23	.24	.22	.22
1	3.45	2.16	San Antonio	63,002	2.20	2.43	2.20	2.38
1	1.15	.75	Shawkey	108,950	.92	.95	.86	.86
50c.	.86	.56	Sheep Creek	5,200	.74	.80	.75	.78
1	1.40	1.00	Sherritt Gordon	39,802	1.04	1.14	1.00	1.03
1	3.88	2.88	Siscoe	135,305	3.63	3.88	3.64	3.80
1	.57	.42½	Sladen Malartic	96,940	.44	.57	.44	.49½
1	6.25	4.40	South Amer. Gold	......	(4.65 June 4)			
No	.08½	.03½	South Tiblemont	90,700	.05½	.06½	.05½	.06½
No	.49½	.18½	Stadacona	344,500	.41½	.49½	.41	.48
1	.38½	.18	St. Anthony	168,550	.23	.32½	.23	.31
No	4.95	3.00	Sudbury Basin	3,552	3.71	3.90	3.70	3.70
1	.20	.06	Sudbury Contact	124,100	.14	.20	.14	.19
1	.07½	.03½	Sudbury Mines	105,000	.04½	.04½	.04	.04½
1	1.41	.83	Sullivan Cons	76,890	1.26	1.36	1.26	1.32
1	2.90	2.25	Sylvanite	39,900	2.65	2.89	2.65	2.76
1	.68	.28	Tashota	119,130	.55	.58	.48	.54
1	5.85	4.30	Teck Hughes	31,896	5.80	5.80	5.50	5.55
1	.73½	.37½	Thompson Cadillac	85,555	.71	.72½	.65	.65
1	.23	.02	Timiskaming	123,927	.17	.18½	.16½	.17½
1	1.63	1.20	Toburn Gold	5,970	1.35	1.63	1.40	1.50
1	.45	.20	Towagmac	22,202	.36	.45	.35	.40
1	.40	.20	Treadwell		(... bid .50 asked)			
No	2.52	1.60	Ventures	26,555	1.85	1.99	1.85	1.93
No	1.35	1.00	Waite Amulet	4,127	1.02	1.11	1.05	1.05
50c	.21	.11	Wayside	98,110	.13	.12½	.11½	.12
No	.05½	.03	White Eagle	114,200	.04½	.05	.04½	.04½
1	.10	.03	Wiltsey Coghlan	28,600	.08½	.09½	.08	.09½
1	.09	.04	Wood Kirkland	10,700	.08½	.08½	.07	.07½
No	9.00	7.55	Wright-Hargreaves	13,385	8.15	8.15	8.00	8.05
No	.71	.38	Ymir Girl	16,900	.50	.53	.50	.50
			OIL STOCKS					
No	.18½	.09½	Acme Gas & Oil	13,400	.11	.11½	.09½	.10
1	.70	.40	Ajax	365	.45	.45	.45	.45
No	1.39	.70	Calgary & Ed.	1,700	1.00	.99	.96	.98
1	.14	.05	Calmont		(.08 bid .09½ asked)			
No	.10½	.04	Common Pete		(.05 bid .06½ asked)			
No	.78	.36	Dalhousie	3,175	.40	.40	.36	.40
No	.13½	.06	East Crest	3,950	.06½	.07	.06	.06½
No	.78	.35	Foothills		(... bid .60 asked)			
No	.18½	.13	High Sarcee		(12½ bid ... asked)			
No	1.46	.70	Home	5,785	1.02	1.05	1.00	1.00
1	.81	.11	Homestead O. & G.	94,100	.52	.53½	.44	.45½
No	.14½	.08	Lowery		(.05 bid .14½ asked)			
No	.24	.12	Merland	500	.15	.14	.14	.14
5	.26	.14	Nordon	7,500	.17½	.17	.15	.16
No	.07	.03	Oil Selections	7,200	.05	.05	.04½	.05
No	.15	.08	Olga Gas & Oil	17,700	.10	.10½	.09½	.10
1	.75	.52	Petrol Oil & Gas	84	.52	.65	.65	.65
No	39.50	26.25	Royalite	1,947	27.00	28.25	26.50	27.75
No	.10	.04	South West Pete	200	.09	.09	.09	.09
No	4.85	1.63	Texas Can.	10,108	1.80	1.90	1.71	1.75

VANCOUVER STOCK EXCHANGE

(Transaction for Week to June 15)

Par Val.	Range 1936 High	Low	Company	Sales	Close June 8 (or last)	High for week	Low for week	Close June 15
25c	.00½	.00½	Bayview		(.00½ bid .01 asked)			
20c	.05	.02½	Beaver Silver	500	.02½	.03	.03	.03
25c	.01½	.01	Bluebird		(.00½ bid ... asked)			
No	8.55	5.60	Bralorne	6,674	8.40	8.45	8.00	8.20
1	.10	.02	Bridge River Cons	6,500	.07½	.08	.07½	.07½
50c	.25½	.08½	B.R.X. Gold	8,800	.14	.14	.13	.14
50c	.18	.12½	B.R. Mountain Gold	3,800	.18	.17	.16	.17
1	.54	.17½	B.C. Nickel	19,400	.34	.37	.33½	.36
1	2.75	1.50	B.C. Silver	10	2.55	2.25	2.25	2.25
50c	.12	.04	Canadian Rand	9,200	.10½	.10½	.09½	.10½
1	1.80	1.15	Cariboo Gold	8,110	1.60	1.80	1.65	1.73
d	.30	.12½	Congress Gold	49,250	.20	.22	.18½	.20
25c	.00½	.00½	Cork Province		(.00½ bid ... asked)			
1	.04	.02½	Cotton Belt		(.02 bid .02½ asked)			
No	.03½	.01	Dalhousie Mines		(... bid .02 asked)			
No	.36	.17	Dentonia	27,300	.17	.20	.18	.20
No	.08½	.02	Dictator	2,000	.05	.04⅞	.04½	.04½
1	.07	.03	Dunwell	1,000	.03	.03½	.03½	.03½
No	.09½	.03	Fairview Amal.	139,350	.05	.07½	.04½	.06½
50c	.58	.35	Fawn Mining	4,625	.50	.58	.50	.58
1	.18½	.03½	Federal Gold	141,600	.07½	.08½	.07	.08
1	.25	.20	George Copper	260	.20	.20	.20	.20
50c	.05½	.02½	George Enterprise		(.02½ bid .04 asked)			
1	.02½	.01½	Georgia River	8,000	.01½	.01½	.01⅜	.01½
50c	.02½	.01	Glacier Creek		(.01 bid .01½ asked)			
1	.24	.11	Golconda	2,200	.13	.13	.12½	.12½
50c	.54	.29	Gold Belt	9,900	.49	.49	.42	.42
50c	.18	.05	Gold Mountain	50,700	.12	.13½	.12	.12½
50c	.04½	.02	Grandview	23,000	.02½	.03½	.02½	.03½
No	.07½	.02	Grange Mines	8,000	.02½	.02½	.02½	.02½
1	.11½	.07	Grull Wihksne	2,650	.10½	.11½	.10	.10
No	.05½	.02½	Haida Gold	1,000	.04	.04	.04	.04
50c	.32	.21	Hedley Amal.	16,150	.22½	.23½	.23	.23
No	.05	.04	Hedley Sterling		(... bid .04 asked)			
No	.08	.02	Home Gold	71,390	.04½	.04½	.04	.04½
1	.02	.00½	Independence		(... bid .01 asked)			
1	.03	.02	Indian Mines	3,000	.02	.02½	.02½	.02½
50c	1.82	.95	Island Mountain	24,000	1.79	1.82	1.70	1.70
1	.21	.18	Inter'l Coal	2,000	.20	.20½	.20	.20
50c	.72	.30	Kootenay Belle	14,250	.57	.63	.57	.62
20c	.00⅞	.00½	Koot. Florence	1,000	.00⅞	.00⅝	.00⅝	.00⅝
25c	.00½	.00½	Kootenay King		(... bid .00⅝ asked)			
25c	.00½	.00½	Lakeview		(.00½ bid ... asked)			
10c	.02½	.01½	Lucky Jim		(.01 bid .02 asked)			
No	.14½	.04½	Mak Siccar		(... bid .05½ asked)			
50c	.00½	.00¼	Marmot Metals		(.0½ June 4)			
1	.20	.12	McGillivray Creek		(.14 bid ... asked)			
50c	.14½	.06½	Meridian Min.	6,500	.08	.08½	.07	.07
No	.94	.07	Minto Mines	46,450	.73½	.74	.68	.71
No	.05	.02	Morning Star	70,100	.03	.03¼	.02⅞	.03
1	.01	.00½	Morton Woolsey	1,250	.00¾	.00½	.00½	.00½
25c	.03¼	.02	National Silver	7,500	.03¼	.03½	.03¼	.03¼
50c	.15	.07½	Nicola	20,300	.09½	.09½	.09	.09½
50c	.05½	.02¾	Noble Five	8,000	.03	.02¾	.02¾	.02¾
No	.08	.02	Pilot Gold	125,100	.06½	.07½	.06½	.06½
1	11.85	9.10	Pioneer Gold	1,335	9.10	9.20	9.10	9.20
50c	.07	.04	Porter Idaho	5,500	.04½	.05	.04¼	.05
No	.01⅝	.00½	Premier Border	22,000	.01½	.01½	.01	.01½
1	.02	.01	Quatsino Copper	11,250	.01½	.01½	.01½	.01¼
25c.	.13½	.05	Quesnelle Quartz	2,000	.08	.08	.08	.08
50c.	.05	.04	Red Hawk G.	3,000	.04½	.04	.04	.04
.	.09½	.05½	Reliance	86,000	.07½	.08¼	.07½	.07½
1	.48	.26	Relief Arlington	16,850	.27	.33	.29	.33
No	.12	.05	Reeves McDonald	......	(.05 bid .... asked)			
1	1.38	1.00	Reno Gold	5,200	1.34	1.33	1.28	1.28
1	.15	.02	Reward Mining	34,200	.08	.08	.07½	.08
1	.01	.00½	Rufus Argenta	1,000	.00¾	.00½	.00½	.00½
1	.03	.01	Ruth Hope	500	.01¼	.01⅛	.01⅛	.01⅛
1	.15	.08	Sally Mines	1,000	.12	.12	.12	.12
50c.	.13½	.08	Salmon Gold	5,100	.10	.11	.10	.10
50c.	.79	.55	Sheep Creek	9,800	.77	.79	.77	.77
25c.	.01½	.00½	Silvercrest	12,000	.00½	.00½	.00½	.00½
20c.	.02½	.01	Silversmith	......	(.01½ bid .02 asked)			
50c.	.00½	.00⅜	Snowflake	......	(.00½ bid .... asked)			
1	.54	.43	Standard Gold	......	(.45 bid .46 asked)			
10	24.25	18.75	Sunshine	......	(18.00 bid 18.75 asked)			
No	.24	.07½	Taylor Bridge	3,100	.12	.13	.12½	.13
1	.27	.07	Taylor Windfall	......	(.15 bid .... asked)			
50c.	.03½	.02	United Empire	12,000	.02	.02	.01½	.01½
No	1.88	.65	Vidette Gold	24,250	1.45	1.88	1.40	1.70
No	.08½	.00½	Viking Gold	20,800	.04	.04¼	.03¾	.04
No	.06½	.01	Waterloo Gold	6,000	.04½	.04½	.04	.04½
50c.	.01½	.00½	Waverley Tangier	11,500	.00¾	.00¾	.00¾	.00¾
50c.	.20½	.11¾	Wayside	15,400	.13	.12½	.12	.12½
20c.	.01½	.01	Wellington	......	(.00¾ bid .... asked)			
1	.06½	.03	Whitewater	3,500	.03	.04	.03½	.03½
No	.69	.42	Ymir Yankee Girl	1,300	.57	.52	.52	.52
			OIL STOCKS					
1	.19	.09	Alta. Pac. Cons.	4,450	.14	.14	.11½	.12
1	.15	.05	Amalgamated	26,000	.10½	.13½	.11	.11½
1	.05½	.02½	Anaconda	......	(.03¼ bid .... asked)			
No	.05	.02	Baltac	......	(.... bid .03½ asked)			
1	.14½	.05	Crow's Nest	30,123	.13	.13½	.11	.11½
No	.05¼	.03	Devenish	......	(.02½ bid .03¼ asked)			
No	.12½	.04½	Freehold	1,500	.05¼	.05¼	.04½	.04½
No	.08	.04	Gargal	1,800	.05	.05	.04	.04
No	.18	.12	High Sarcee	......	(.14 bid .15 asked)			
No	.02½	.01	Madison	6,000	.01	.01¼	.01	.01
No	.25	.11½	Marjon Oil	7,500	.18	.19	.17½	.17½
No	.08¼	.05½	McD. Segur Ex.	......	(.05¼ bid .... asked)			
1	.40	.20	McLeod	140	.27	.32	.28	.28
No	.18¾	.11¼	Mercury	6,750	.12	.12	.11½	.11¾
No	.15	.08	Mill City Pete	1,000	.09	.09	.09	.09
1	.26	.20	Model	1,250	.20	.20	.20	.20
No	.13	.04	Okalta	......	(.05½ bid .06 asked)			
No	.09½	.04½	Pacalta Oil	2,500	.06	.06	.05¾	.06
1	.83	.47	Ranchmen's	1,600	.50	.53	.47	.47
1	.27	.18	Spooner	......	(.... bid .23 asked)			
No	.09½	.05	United	200	.05¼	.05	.05	.05
No	.10½	.05	Vanalta	3,000	.06	.06	.06	.06

Mining Dividends

	Rate	Close June15	Yield %
Anglo-Huronian	20c	5.25	..
Beattie Gold	†5c	1.35	..
Bralorne	20c+5c	...	..
Buff Ankerite	20c	7.60	2.6
Bulolo Gold	‡$1.40	33.00	..
Cariboo	10c	1.77	5.6
Coniagas†	12½c	3.50	..
Cons. Smelters	30c	.56	..
Dome Mines	$2+$2	58.50	6.8*
Falconbridge	30c	8.00	3.7
Hollinger	65c+15c	16.00	5.0*
Howey Gold	5c	.79½	..
Hudson Bay	$1	25.25	..
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	60c	11.00	5.4
Int. Nickel, c.	$1.20	47.75	2.5
Kirk. Lake‡	3c	.69	..
Lake Shore	$4	59.75	6.7
Macassa	15c	4.50	..
McIntyre	$2	44.75	4.4
McKenzie R. Lake	†3c	2.10	..
McKinley Sec.	2½c	.60	..
McWatters Gold†	5c	1.65	..
Nipissing	25c	2.43	..
Nor. Can. Mining	2c	.56	..
Noranda	‡$1.25	58.25	..
Pickle Crow	10c	6.25	..
Premier	12c+1c	2.45	5.3*
Pioneer, B.C.	80c	9.10	8.8
Reno	12c	1.31	9.2
San Antonio	21c	2.38	8.8
Siscoe	20c	3.80	5.2
So. Amer. Gold	30c	4.65	6.4
Sylvanite	20c	2.76	..
Teck-Hughes	40c+5c	5.55	8.1*
Toburn	8c	1.50	5.3
Ventures	†2½c	1.93	..
Wright-Har.	40c+20c	8.05	7.4*
Ymir Yankee	†2c	.50	..

‡Interim. †Initial. *Yield includes bonus.

Winnipeg Stocks

(Transactions from June 8 to June 13)

	Sales	High for period	Low for period	Close June 13
Bailor Synd.	50	.50	.40	.40
Bailor Gold	600	.07	.06	.06
Cres. Cream., pfd.	1	33	33	33
Canadian Fire	20	75	75	75
Can. Rand.	1,000	.10	.09½	.09½
Callinan F. Flon	1,550	.22	.12	.22
Darwin	3,800	.64	.52½	.64
Dom. Envelope, c.	5	.75	.75	.75
Flin Flon	1,750	.19	.18	.18
Gold Lake	14,040	.55	.50	.52
Geneva	240	1.40	1.25	1.25
Cons Goldfields	2,500	.16	.14	.15
Gt. Falls M. & S.	2,700	.23	.10	.22
Gold Island	25,000	.20	.20	.20
Kingfisher	9,500	.02½	.02	.02
Island Lake	22,600	.06	.05	.05½
Oxford Mines	50	.20	.20	.20
Optic Lake	265	1.80	1.60	1.75
Ore Grande	4,000	.10½	.10	.10
Scattergood	3,500	.03½	.03	.03½
Packsack	7,800	.28	.19½	.26
Rice Lake	4,000	.10	.09½	.10
Rice Lake Units	45	6.00	4.00	5.00
Scotia	1,500	.06½	.06	.06½
United Grain	8	13	13	13
Vanson Man.	17,920	.04	.03	.03
Wingold	20,800	.07½	.06½	.07
Wylie Dom.	2,350	.48	.43	.43
Wallace Lake	5,500	.04	.03	.03

Stocks Not Traded in During Week

	Bid	Ask
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, pref.	90	..
Home Invest.	24	..
Northern Trust	8	..
Traders Bldg.	73	9½
West. Steel, pf.	6½	..
West. Breweries	..	1.75

*Stocks more active on other exchanges not included.

Week in Wheat

U. S. Spring Crop Fear Dominating All Markets

Market Fluctuates But Firmness Remains Pending Outcome of Possible Exportable Surplus in United States

From Our Own Correspondent

WINNIPEG.—Although the market experienced a slight reaction after early strength, the underlying cause of strength remains unaltered. This is fear in the United States of a very short crop of spring wheat.

Probability of United States prices generally remaining above the export level is not altered by the fact that some export offers at low prices are now being made of soft white wheat from the Pacific coast states.

Liverpool seems to be building up a certain degree of firmness, although observers there insist that millers are not yet willing to commit themselves for supplies any great distance ahead. Apparently they feel sure that a large Canadian supply will be available if needed.

Carrying Charges

INSTEAD of there being a carrying charge between July and October wheat, the nearby future has gone to a premium over the October, and cash No. 1 northern is at an additional premium over the July. This indicates a technically tight situation in the market, in spite of the large quantities of wheat Canada has yet to sell. It appears to be due to the fact that so considerable a portion of the visible supply is now being carried in eastern elevators, where it is not available for delivery on the futures contract, and to the fact that of the grain in terminal elevators the greater part is either the property of the Canadian Wheat Board or is to be delivered to that body in July. Such temporary tightness is not considered to be a desirable feature of the market as it imposes hardship on exporters who have been carrying out of position stocks, hedged in the Winnipeg market and must buy back their hedges when they make a sale for export.

To some extent the carrying of grain on low cost money from the United States is thought to have some influence on the situation. Loans from such a source are usually arranged for a definite period, and cannot be paid off at an earlier date. So the borrower holding grain so carried is not able to sell it when a temporary demand might make it desirable to do so. Loans from Canadian banks, although they carry a higher interest rate than the U. S. lenders have been asking, are repayable at any time.

* * *

World Shipments Hold

BOTH world wheat shipments and the Canadian contribution to them held up unexpectedly well last week. While the world total fell just short of 10,000,000 bushels, two thirds of this came from Canada. The contrast with the same period of last year is shown by the fact that Canadian shipments were more than three times those of last year, when they fell short of two million bushels. On the other hand Argentina shipped last week less than a third of the quantity exported during the corresponding period of last year.

* * *

Cheap Atlantic Freights

IT IS somewhat surprising to find that the increased transatlantic passenger traffic of the current year is playing a part in the determination of wheat prices. But such actually appears to be the case. Transatlantic freight rates on wheat are low, because not only tramp vessels and regular freight liners, but also passenger vessels are competing. The latter will, if necessary, carry wheat almost on a ballast basis, rather than have to pump water into the ballast tanks. At the same time this activity on the Atlantic is reducing the number of vessels seeking cargoes from the Pacific coast. Thus freight rates from Vancouver to British and European ports are comparatively stiff.

* * *

Better Crop News

GAINS during the past week have revived the crops of northern Saskatchewan. Previously these had been standing still, or were losing ground. Now prospects over most of the West are fairly good, though a good deal of additional rain will be required during the growing season.

Both in Saskatchewan and in parts of Alberta grasshopper infestation has proved to be more serious than was earlier expected. To a large extent, however, this has been checked, both by vigorous poisoning campaigns and by the change to cooler and wetter weather.

* * *

Buffalo Protests

ONCE more grain elevator interests at Buffalo are protesting against the diversion of export Canadian grain through Canadian ports. Ever since the Ottawa agreement in 1932, between Great Britain and the Dominion the movement of Canadian grain through the United States has been restricted by the requirements that documentary evidence must be furnished showing that the grain consigned from Canada and routed for shipment through Buffalo actually has been sold to Great Britain.

This requirement, it is claimed, has worked a hardship on U. S. elevator interests for it has long been the custom to have Canadian grain shipped to Buffalo without the ultimate destination being definitely determined. As a result of this restriction, the volume of Canadian grain passing through Buffalo or North Atlantic ports has been negligible. Port authorities at Baltimore, Boston and New York have joined in the protest.

Flour Export Makes Gains

Up 50 Per Cent Over Last Month — Wheat Also

Canadian flour exports showed a big improvement in May. Not only were they up nearly 50 per cent over the previous month, but there was a decided gain over the May, 1935, as well. Increases for the current crop year, which commenced August last, have been maintained with a total of 4.1 million barrels exported so far this year as compared with 3.9 million in 1935.

The spurt in May was accomplished without any great loss in price, the Dominion Bureau of Statistics estimating the value per barrel at $3.99 as compared with $4.04 in April.

Details are as follows:

Wheat Flour Exports

	1935-36		1934-35	
	Aver. Price $	(bbls.)	(bbls.)	Aver. Price $
Aug.	3.73	376,562	412,089	3.81
Sept.	3.76	395,640	369,320	3.93
Oct.	4.01	501,442	485,549	3.96
Nov.	4.22	525,368	504,384	3.93
Dec.	4.21	443,828	340,751	3.81
Jan.	4.17	314,311	346,099	3.80
Feb.	4.20	340,102	309,729	3.77
Mar.	4.18	476,773	497,468	3.75
Apr.	4.04	281,162	276,907	3.79
May	3.99	448,653	383,221	3.31
Total		4,103,801	3,925,515	
12 mos. end. May:	4.01	4,928,634	4,774,609	3.80

Wheat exports of over 27 million bushels as compared with less than 12 million a year ago are a natural result of increased selling this year. Average export price during May was 79 cents per bushel as against 84 cents in the same month a year ago.

For the 12 months to the end of May total export of wheat is estimated by the Dominion Bureau of Statistics at almost 196 million bushels as against 160 million for the same period a year ago.

TO PROBE WHEAT

While other members of the proposed Royal Commission to investigate wheat marketing have not been mentioned, the chairmanship is believed certain to go to Hon. Alphonse Turgeon, at present head of the textile investigation.

Murray Sales Win Approval

But Royal Commission Asked to Develop New Marketing Policy

From Our Own Correspondent

OTTAWA.—The report of the special commons committee on wheat contains four important findings:—

1. The selling policy of the Murray wheat board is approved as in strict accord with the Dominion Wheat Board Act of 1935.

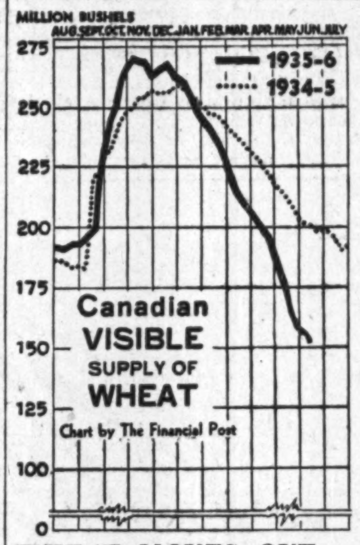
2. The Murray board is completely exonerated from all charges of having "favored exporters or millers" in disposing of the surplus, particularly in the heavy sales of last December 12-13.

3. A Royal Commission is recommended to evaluate rival wheat marketing systems, to enquire into the general effect of mixing and of grading on protein content, also the prospect of enlarging export markets.

4. Marketing machinery would be taken out of the hands of the Department of Trade and Commerce and placed under agriculture.

The report is unanimous.

Appointment of the Royal Commission is expected within a month and there is no doubt as to the chairmanship, which will be entrusted to Hon. Alphonse Turgeon, of the Saskatchewan Appeal Court. The vice-chairmanship will go to E. B. Ramsay, chairman of the Board of Grain Commissioners, if he will accept (which is most uncertain) and the other commissionership will be offered to an eastern businessman, probably an outstanding banker.



WHEAT MOVES OUT

Canadian wheat continues to move into export channels at the rate of over five million bushels weekly. This volume brought visible in marketable positions down below 151 millions last week. Practically all of this recent decline has gone directly into export markets, as clearances indicate. Provided there are no unexpected developments in world wheat markets this volume is expected to be maintained or even increased during the remainder of the crop year which ends July 31.

Details in bushels are as follows:

Canadian Visible

Week of June 12	Week Previous	Last Year
150,997,000	156,467,000	199,493,000
Export Clearances*		
5,911,803	6,565,799	1,045,550

* Plus U. S. imports.

Godbout Is Quebec's First Farmer-Premier

Liberals See in the New Leader Rallying Cry Against Lawyer Duplessis

ISSUES AT STAKE

By WELLINGTON JEFFERS

Hon. Louis Alexandre Taschereau has stepped down from his high post as premier of Quebec but many observers regard his successor, Hon. Adelard Godbout, as "Premier Taschereau yet speaking." Others speak of him as "a stop-gap premier" until the provincial elections are held in August and have been predicting even that he will have difficulty getting together a cabinet which will win the confidence of the province. The personnel of his cabinet will undoubtedly have a strong bearing on his future success and it will be chosen soon.

The new premier, however, is no puppet. No one stands behind him in the shadows pulling the strings. Though he is the choice of ex-Premier Taschereau it is but another instance of the latter's political sagacity. It is an indication that he writes finis to his own political career and regards the day of the Grand Seigneur in politics as over. He knows that the voters demand someone who thoroughly represents them in experience, inheritance and outlook.

First Farmer-Premier

Hon. Adelard Godbout is the first farmer-premier of Quebec. The retiring premier thinks a farmer is the best answer to Maurice Duplessis, the lawyer-leader of the opposition. Next September Adelard Godbout will be only 44 years of age, and Hon. Mr. Taschereau regards him as one in full accord, therefore, with the aspirations of of young men through the province and one who knows the needs of farmers.

But he will not have in his cabinet many old ministers of Premier Taschereau. Hon. T. D. Bouchard will support him, it is understood, but many of the others apparently take the view of Premier Taschereau that a new era has come and it is just as well to stand aside for a time. Federal liberals are as much bewildered about what to do as are some of the leading Liberals in Quebec. Montreal leaders, it is reported, will stand by Godbout, but in Quebec district dissensions are seething.

Hon. R. F. Stockwell, provincial treasurer, will not contest Brome in the next election. He was the English Protestant representative in the Taschereau government. Taschereau ministers who will drop out include Hon. J. E. Perrault, attorney-general, Hon. Athanase David, provincial secretary, and Hon. J. N. Francoeur, one of the oldest sitting members.

Professor of Agriculture

The new premier's first appeal is definitely and decidedly to those who love order and peace. He regards all the troubles of the preceding administration as "undoubtedly having their roots in the economic depression which is now, we hope, in its death throes." He shows himself sympathetic to the demands for a "fuller life" by young men but claims that these developments can best be brought about as "the fruit of the collaboration of all citizens." He believes, however, in moving toward a national ideal of social justice, peace and prosperity "within limits of order and with respect to human dignity."

The new premier is young in politics. He was first elected in the by-election of 1929 and the following year he succeeded Hon. J. L. Perron as Minister of Agriculture. He was a natural choice for that post even so early in his political career because he had been a professor at the Ste. Anne de la Pocatiere agricultural college and no one in the Taschereau following was as well equipped technically for the post. He has worked steadily to improve the standard of farming in Quebec. Under his wing a large number of co-operatives have been formed and he has aided materially in finding foreign markets for the produce of Quebec farms.

Though a farmer, as was his father before him, he has a political background. His father, Eugene Godbout, also was in the Legislature, sitting for Temiscouata, the same seat. Adelard was born at St. Eloi, September 24, 1892. He was educated at Rimouski, Ste. Anne de la Pocatiere and Amherst, Mass. He married Marie Fortin at L'Islet in 1923 and they have four children.

HON. ADELARD GODBOUT

Edouard Lacroix, member in the House of Commons for Beauce, is often mentioned as a possible member of the Godbout cabinet. If that happens, those who think the young farmer-premier has "just been thrown to the lions" might have to reconsider. Lacroix is a prominent French-Canadian businessman who is regarded as the founder of the Action Liberale Nationale. He would carry real weight. Paul Gouin has caught the imagination of the rank and file attaching itself to that movement but has stated his willingness to follow Lacroix, if necessary. An effort was made to induce Lacroix to be premier in succession to Hon. L. A. Taschereau and to form a union government of all parties. He did not agree, but still the efforts continue to induce him to join with Godbout.

Isolating the Fight

It is not impossible he might do so eventually because all is not concord within the ranks of the opposition. Under the energetic and aggressive leadership of Maurice Duplessis, opposition members have the smell of victory in their nostrils. But there is still much conflict as to what future policy should be. Though Paul Gouin is strong in the province and has 26 members of L'Action Liberale Nationale elected with him, there are observers on the scene who say that Gouin himself and all but 5 of the elected members are pledged to follow Duplessis as head of the Conservative-L'Action Liberale Nationale group. He has uncovered all the scandal which has unhorsed the Taschereau administration and he has promised to carry the investigation through.

Oscar Drouin, who sat through two terms as Liberal member for Quebec East (which is represented in the Dominion house by Ernest Lapointe) will be organizer for the National Union of Conservatives and Action Liberale Nationale group. He was with the insurgent group in last November's election. He is against linking up with the Federal Conservatives. He thinks the provincial fight should be isolated from the rest of Canada until it is won. It is not a party fight, the Opposition claims.

A Gigantic Task

Hon. Adelard Godbout has a gigantic job ahead of him. If he gets the right support now he will have a chance at the coming elections but his ministry will have to be something extraordinary to convince a majority of the electorate. The flowing tide for the moment appears to be against him. He seems to know that and so far is striving to show that in programme he is sailing with the tide. But he is trying to make the people believe they can get all they want in reason with "safety" with Godbout instead of "dangerously" if the Opposition succeeds.

The House was dissolved without a vote of one per cent for general purposes of government.

Duplessis permitted money to be voted for old age pensions but for very little else. Hon. Mr. Godbout will have to have recourse to orders-in-council, which are emergency measures for obtaining money. Doubtless, money to pay members' indemnities and essential expenses can be obtained by the new government in constant consultation with the Lieutenant-Governor, Hon. E. L. Patenaude.

All the important legislation of the session died with it. The C. P. R. bill, to extend its branch line to Rouyn, was passing but it is held up by this political crisis. The Montreal bill dies and with it the so-called "pork barrel," which was to help many aldermen win next December's elections.

And so, from all angles, the election to be held on some date between August 12 and August 19 next will be the most important the province has seen since confederation.

New Wheat

Heavy rains have materially improved the outlook in Western Canada, though in a few sections there is still a lack of sub-soil moisture.

* * *

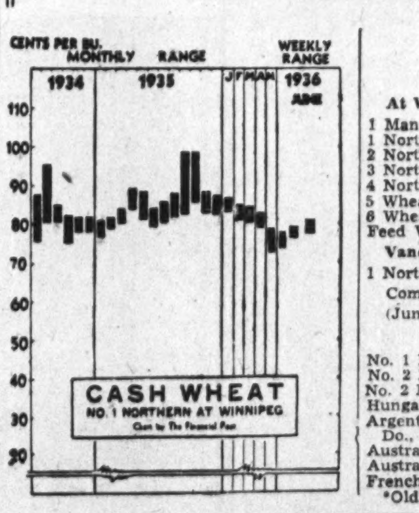
These same rains have also occurred over the spring wheat area of the northwestern United States. Here however, the drought preceding the recent moisture was more serious than in Canada.

In the American winter wheat area crop reports are spotty. Harvesting is well started in Texas and southern Oklahoma where new wheat is reported excellent in quality and running 20 bushels to the acre. Local millers whose supplies of old grain were getting perilously near the vanishing point are eagerly stocking up. In the northern part of this winter wheat area, while recent rains have improved the situation, results are expected to vary greatly with yields running between 3 and 30 bushels per acre.

* * *

Ideal growing conditions for the newly-seeded winter wheat in the Argentine are reported.

Wheat Prices



(Cash Quotations)

	For Week June 16 High	For Week June 16 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard ...	.81⅞	.79	.80½	.75¾
1 Northern	.79⅞	.77¼	.78¾	.76¾
2 Northern	.77½	.74⅝	.76⅛	.74⅛
3 Northern	.73⅞	.71¼	.72½	.70¾
4 Northern	.69⅝	.67	.68¼	.66½
5 Wheat	.61⅞	.59½	.61¼	.59¼
6 Wheat	.56⅛	.53	.55	.52¼
Feed Wheat	.45⅞	.43	.44	.42
Vancouver: Week to June 15:				
1 Northern	.77⅝	.74½	.76	.73⅞

Competitive Export Prices:
(June) shipment.

	High Week to June 12	Low Week to June 12
No. 1 North. (Vanc.) ...	0.92⅛	0.89¾
No. 2 North. (Atlan.) ...	0.89⅝	0.87½
No. 2 North. (Vanc.) ...	0.90⅝	0.89
Hungarian*	0.80⅜	0.80⅛
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.90½	0.88⅝
Australian	0.93½	0.92½
French	0.78	0.77⅜

*Old and new crop, July shipment.

Winnipeg Grain Futures

Week to June 16, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open June 10	High for week	Low for week	Close June 16
		Wheat				
.92⅞	.73⅛	July	.77	.80⅛	.76½	.78⅝
.89	.74⅝	Oct.	.77⅛	.79⅞	.77	.79⅝
.80¼	.76½	Dec.	.77¾	.80¼	.77	.79⅝
		Oats				
.33⅜	.30	July	.31¼	.32	.31⅛	.31⅝
.31⅞	.29⅝	Oct.	.29⅜	.30	.29⅜	.29⅝
.29	.28¼	Dec.	.28¾	.29	.28¼	.28½
		Barley				
.40¼	.35⅝	July	.36¼	.37⅝	.36	.36⅞
.40¼	.34⅛	Oct.	.34⅝	.35⅞	.34⅛	.35½
		Flax				
1.63	1.40¼	July	1.42⅞	1.49⅝	1.42⅞	1.46½
1.47⅝	1.37½	Oct.	1.38⅞	1.44⅞	1.38⅞	1.42½
		Rye				
.48½	.39⅛	July	.41⅝	.43⅛	.41½	.42⅞
.49	.41⅛	Oct.	.42⅝	.44⅝	.42½	.44⅝
.45⅝	.42	Dec.	.43⅜	.45⅜	.43½	.45⅛

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1936, to shareholders of record of the 20th June, 1936.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 14th May, 1936.

The Canadian Light and Power Company

Notice is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending June 30th, payable July 15th, to shareholders of record June 26th, 1936.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, June 15, 1936.

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 41

Notice is hereby given that the quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable July 1st, 1936; also a dividend of one and three-quarters per cent to apply on account of deferred dividends, to shareholders of record June 15th, 1936.

F. J. MAW,
Secretary.

Hamilton, Ont., June 10th, 1936.

United Securities Limited

Notice is hereby given that a dividend of Fifty (50c) cents per share has been declared on the outstanding common shares of the Company for the quarter ending June 30th, payable July 15th, to shareholders of record June 26th, 1936.

By Order of the Board,

JAMES WILSON,
Secretary-Treasurer.

Montreal, June 15, 1936.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable July 2nd, 1936, to shareholders of record as at close of business June 15th, 1936.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ont.

BRALORNE MINES LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 10 cents per share, and an extra Dividend of 5 cents per share have been declared on the paid-up capital stock of the Company, payable on the 15th day of July, 1936, to shareholders of record as of June 30th, 1936.

By Order of the Board

RONALD GRACE
Secretary-Treasurer

Vancouver, B.C.,
June 8th, 1936.

DIVIDEND NOTICES

DIVIDEND NOTICE

Acme Glove Works Limited

A quarterly dividend of One and Five Eighths Per Cent (1⅝%) has been declared upon the Six and One Half Per Cent (6½%) Cumulative Preferred Shares of Capital Stock of this Company, to be paid July 2nd, 1936, to shareholders of record at the close of business on June 20th, 1936.

A dividend of 12½c (Twelve and One Half Cents) per share has been declared on the no par value Common Stock of this Company, to be paid on July 2nd, 1936, to shareholders of record at the close of business on June 20th, 1936.

By Order of the Board.

A. LEPINE,
Secretary.

Montreal, June 8th, 1936.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after
2nd July, 1936,
to Shareholders of record on the books of the Company at the close of business on 13th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

The Consolidated Mining and Smelting Company of Canada, Limited

DIVIDEND No. 62

Notice is hereby given that a Dividend of Fifty Cents (50c) per share on the paid-up Capital Stock of the Company for the six months ending June 30th, 1936, has this day been declared, payable on the 15th day of July, 1936, to Shareholders of record at the close of business on the 30th day of June, 1936.

By Order of the Board.

J. E. RILEY,
Secretary.

Montreal, Que., June 13th, 1936.

THE STEEL COMPANY OF CANADA, LIMITED

Preference Dividend No. 100

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c.) per share on the Preference Shares of the Company has been declared for the quarter ending June 30th, 1936, payable August 1st, 1936, to shareholders of record at the close of business July 7th, 1936.

By Order of the Board,

H. S. ALEXANDER,
Hamilton, Ontario, Secretary.
June 10, 1936.

THE STEEL COMPANY OF CANADA, LIMITED

Ordinary Dividend No. 78

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c.) per share on the Ordinary Shares of the Company has been declared for the quarter ending June 30th, 1936, payable August 1st, 1936, to shareholders of record at the close of business July 7th, 1936.

By Order of the Board.

H. S. ALEXANDER,
Hamilton, Ontario, Secretary.
June 10, 1936.

DIVIDEND NOTICES

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending June 30th, 1936, has been declared upon the paid in Capital Stock of the Company to Shareholders of record on Saturday, the 4th day of July, 1936, at 12 o'clock noon, and payable on Wednesday, the 15th day of July, 1936.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Monday, June 15th, 1936.

80th Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of one dollar and fifty cents per annum) on the no-par-value common shares of the Company presently issued and paid-up for quarter ending June 30, 1936, has this day been declared to shareholders of record June 30th, 1936, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders July 31st, 1936.

By Order of the Board,

G. R. WHATLEY,
Secretary.

Montreal, June 15th, 1936.

Montreal Light Heat & Power CONSOLIDATED

Owned by 50,000 shareholders and debenture holders, Montreal Light Heat & Power has more customer owners than any other utility company in Canada.

Quality Builds Good-will
Good-will and enduring reputation have been built and maintained by Purity Flour through strict adherence to quality and uniformity. It is on this sound basis that Purity Flour, the Company's leading brand, has held for over thirty years, foremost place in the estimation of Canadian users.
PURITY FLOUR
Best for All Your Baking
Milled by Western Canada Flour Mills Co., Limited.
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Makers of FIVE ROSES FLOUR
Mills at
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WALTER MOLSON
ISAAC PITBLADO, K.C.
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G. W. ALLAN, K.C.
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Designing Engineers and Contractors—All Classes of
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Incorporated 1909
Grain Receivers, Shippers and Exporters
When in Toronto call at our office, King Edward Hotel Building. Direct wire connections, Winnipeg and Chicago markets.
"An old established firm with a reputation for doing business RIGHT"

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Grain Merchants
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Pioneers IN THE EXPORTING OF CANADIAN GRAIN
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Limited
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VANCOUVER SASKATOON
TORONTO CALGARY
KINGSTON EDMONTON

Construction World

The Coming Boom

A PERIOD of prolonged prosperity in American building is predicted by Roy Wenzlick, president of Real Estate Analyst Inc., in his "The Coming Boom in Real Estate," recently published by Simon and Schuster, New York. Mr. Wenzlick cites nearly a dozen reasons for his prediction, but all largely depend on his first, which states that better business conditions will provide bigger incomes and more employment.

Assuming that recovery is steadily continued then there would seem to be very little argument against this American observer's optimistic conclusion, even when he estimates the duration of his boom at 6 to 8 years. During the depression, and since, Mr. Wenzlick points out there was much doubling up of families under one roof, but the natural doubling through marriages was delayed until the business horizon lifted. Actually, for several years, the number of houses torn down for various reasons was greater than the number of new ones built.

Now, argues Mr. Wenzlick, families are spreading out, marriages are getting ahead of divorces and living space is beginning to command higher prices. Building is already under way and gradually as this same building increases employment, in turn it will generate prosperity and the boom will be on. Barring such world upheavals as war, that boom, it is stated, will reach its crest in 1943 or 1944.

* * *

Crazy Building Laws

IN THEIR fight against ridiculous building by-laws, the Ontario Lumber Association will have the backing of most sensible construction authorities. Recently, this body has protested against a Toronto by-law which prohibits all but solid masonry walls in residences. It is difficult to be convinced that a solid stone or brick wall in the ordinary small house would be any more resistant to fire than one of masonry veneer. Certainly it would not be nearly as good insulation against heat and cold.

In any event, this rigid specification immediately rules out many new materials that are coming into increasing prominence in the construction industry. It also discourages the modern trend toward narrower but well insulated walls, where metal would largely predominate. Municipal authorities are well advised to be on their guard against fire hazards. With that object construction has no quarrel. But building regulations should take other points into consideration, including insulation, ventilation and cost of maintenance.

* * *

Lumber to Fight

CANADIAN lumbermen are not going to take competition from all sorts of new building materials without fighting back. In nearly every province local associations are devising ways and means of increasing or at least maintaining the present percentage of lumber going into residential construction.

No doubt due to the relatively greater importance of the lumber industry in British Columbia, considerable progress is reported in that province. On the prairies, too, probably as the result of comparative cheapness, this at one time universal building material, has more than held its own. But in the eastern provinces, the battle has not been waged with such success.

In first cost and cheapness of construction lumber has a great deal to offer, but there is one very grave handicap. Normally, it is not fire resistant.

* * *

Research Would Help

BUT in these days of chemical miracles that handicap can undoubtedly be overcome. Already, for special purposes, wood can be made fire resistant and eventually some process will be discovered for cheap commercial treatment on a wholesale scale. Already, the builder is offered building board, practically fire resistant, which has low priced lumber as a base. Used in conjunction with masonry veneer, this has all the advantages of wood insulation, without the latter's inflammableness.

But lumbermen must face the fact that there is competition, and some of it of so successful a nature that, for certain uses, wood has been made obsolete. However, there are still plenty of opportunities left and research is available to discover more.

MURRAY Protective Coatings for all surfaces
MURRAY LIQUIGUM

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Repairs Weather-Worn Roofs

One coating of Liquigum will add years of service to your old roofs. This thick, heavy liquid resaturates and recoats the old surface . . . and any handy man can apply it with excellent results.

Estimates furnished on request.

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Oil Burners for Apartments, Factories, Hot Water or Steam Supply, Stoves, Heaters.

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PUBLIC BUILDINGS — INDUSTRIAL PLANTS
TERMINAL GRAIN ELEVATORS—STREET PAVING
POWER DEVELOPMENTS — HIGHWAY WORK
Operating All Over Canada
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Government's Building Plan Nears Finish

Supreme Court Only Big Project Now in View

BY STAFF REPORTER

OTTAWA. — Rumors notwithstanding, there seems no likelihood of any further large scale public building by the federal government in the near future. With big federal office buildings now practically completed at Winnipeg, Halifax, Windsor, Vancouver, and other cities, the need of the civil service in this respect, it is believed has been fairly well met.

New Supreme Court

The only exception will be the probable erection of a new Supreme Court Building in Ottawa in the course of the next year. Authorities claim there is a very real need for this building. The present premises are old, and being a former horse stable are hardly suited to the august body which occupies them.

Though the site of the new building has not yet been chosen, it is expected it will be erected on some of the extensive government land held in close proximity to the Parliament Buildings. Cost is estimated at approximately $1.5 million.

Cardin Opposed

"Personally, I am not very much in favor of large expenditure on public buildings as a means of relieving unemployment," Hon. P. J. A. Cardin, Minister of Public Works, told The Financial Post.

Construction of this kind, the minister pointed out, doesn't help the average laborer much in any case, and is not comparable to highway, harbor or canal construction as a means of absorbing unemployed. Then again, Mr. Cardin stated, after the buildings have been erected, they begin to prove a drain on the public purse on account of maintenance charges, and in such case would eventually prove a boomerang by absorbing money that might be put into productive sources of employment.

Buildings Modern

Authorities of the department of public works, however, claim there should be considerable benefit from the expenditures on public buildings so far. Most of these have allowed consolidation of scattered civil service in the larger cities. The buildings are said to be quite modern, and of a high architectural standard. Before their erection, in many cases, staff was scattered in poorly equipped, crowded quarters. Now the new buildings will permit concentration of all branches, and are sufficiently large, it is believed, to accommodate even a growing civil service for a good many years to come.

Orthodox Building

Practically all of these new buildings are of reinforced concrete, faced with cut stone. They follow orthodox lines inside and out, though in the smaller centres they appear to be of a higher architectural standard than most surrounding structures.

Actual construction has been slow. There was delay in calling for tenders and this was aggravated again by the stipulation in many cases that as large as possible a percentage of unskilled and relief labor be used. In a few instances this went so far as to discourage the use of even normal labor-saving equipment.

Calgary Trades Work Out Code

8-hour Day for Building Labor — Plasterers Get 90 Cents

Calgary building trade workers have agreed upon a code of wages to apply to a 25-mile zone in and around their city. The agreement was made at a convention called under the provision of the Industrial Standards Act to set up zone codes. Provincial government approval is expected.

Details are as follows:

8-Hour Day

Painters propose an 8-hour day and 40-hour week; wages of 75 cents per hour for the first 4 months of the agreement, 80 cents an hour after that, no more than 3 night shifts to be worked in succession and the rate for these to be 8 hours' pay for 7 hours' work; double pay for work on Sundays and statutory holidays, ordinary overtime to be paid at a rate of time and a half; no piece work; one apprentice allowed for 4 journeymen.

90 Cents for Plasterers

The plasterers will get 90 cents an hour but must not work overtime when competent men are available.

The 8-hour day and 40-hour week applies. Pay will be double Sundays and statutory holidays and transportation to outside jobs provided with pay for time en route. For emergency work 8 hours' pay of 7 hours' work applies. Ordinary overtime will be time and a half.

Plasterers' helpers will be under similar regulations except that their week is limited to 45 hours and the rate of pay will be 60 cents an hour.

Similarly the lathers' schedule is that of plasterers except that the rate is 90 cents an hour for metal lathing and 75 cents an hour for wood lathing.

Edmonton Sells Building Lots

Boom days in western building lots were recalled when Edmonton city council put on a land sale the other day. Prices ran from next to nothing up to $150 per lot. This is a far cry indeed from the inflated values of suburban wheat lands surrounding the western towns which were sold as building lots in pre-war days.

Reason for the recent sale was the omission on former owners' part to keep taxes paid. It is expected that much of the property purchased will be built upon and thus develop into a source of revenue.

May Construction Up But Year's Total Lags

May building, with a gain of approximately 50 per cent over April, showed a remarkable pick up in all main lines. According to MacLean Building Reports, residential construction jumped nearly a million dollars to $4.5 millions, and similar gains are reported in business. In industrial construction there was even a greater increase, while engineering, which includes bridges, dams, roads, etc., was almost double the value of contracts awarded in April.

Lagging Behind 1935

Compared with a year ago, however, so far total 1936 building is running slightly behind.

The decline is partly attributed to unfavorable weather conditions during the early part of the season, which hampered residential construction, but more so to the fact that the federal government which was actively in the field a year ago, with big office building projects in almost every large city is now doing little in this respect. Total building to date with 1935 and 1934 comparisons is as follows:

Contracts Awarded

	Number	Value, $
Five months, 1936	6,269	56,905,100
Five months, 1935	7,039	57,073,100
Five months, 1934	5,742	48,707,800
Five months, 1933	4,248	24,826,100

Figures regarding all classifications of construction, as compiled by MacLean Building Report for May, 1936, as compared with April, are as follows:

Canadian Contracts Awarded, 1936

	May		April	
	No.	Value $	No.	Value $
Apartments	16	264,000	7	339,500
Residences	1377	4,277,300	1,038	3,363,800
TOTAL RESIDENTIAL	1393	4,541,300	1,045	3,703,300
Churches	21	309,600	13	119,300
Public garages	82	305,500	77	278,700
Hospitals	4	131,300	6	126,200
Hotels and clubs	44	261,400	32	188,000
Office buildings	35	436,900	32	620,300
Public buildings	35	351,500	32	278,400
Schools	29	332,400	60	152,600
Stores	197	565,900	197	650,100
Theatres	9	176,000	12	176,500
Warehouses	53	380,000	48	249,700
TOTAL BUSINESS	509	3,250,500	509	2,839,800
TOTAL INDUSTRIAL	55	2,306,900	60	627,700
Bridges	15	180,100	4	15,000
Dams and wharves	6	30,300	6	49,300
Sewers and watermains	20	58,100	15	170,600
Roads and streets	84	2,942,700	12	87,300
General engineering	36	1,652,900	20	2,322,100
TOTAL ENGINEERING	161	4,864,100	57	2,644,300
GRAND TOTAL	2118	14,962,800	1,671	9,815,100

Church Offers Free Land For Slum Clearing Project

Fifteen acres of building lots in the centre of Toronto have been offered by St. James Anglican Cathedral, to the municipal authorities or any other "reputable private body" prepared to undertake provision of good, low rent dwellings to small wage earners. In the block of land are 41 lots, about half of which are vacant. The remainder are covered with old houses. Some of the latter are occupied. Recently, about 20 still older houses, were pulled down, thus making the vacant lots.

Church officials point out that there are no strings attached to the offer. Title to the properties will be turned over by the cathedral as soon as the wardens are satisfied the prospective recipients are prepared to use properties as sites for dwellings of a suitable status, to rent at low rates within the range of the small wage earner.

The gift is expected to give impetus to the slum clearance movement which has been actively pushed by Lieut-Governor Bruce during the last year. If acted upon, it would be the first really large and practical step in this movement so far.

Design Portable Units For Air-Conditioning

A new type of portable air-conditioning equipment has been put on the market this year in both the United States and Canada. This comes in various sizes, and is designed primarily for small areas. The equipment simply consists of a metal cabinet, not unlike the radio, and is placed beneath a window for access to the outside air.

Standard unit is 40 inches high, 36 inches wide, and 18 inches deep. It is connected to any ordinary electrical outlet, and is sufficient for a space of from 1,500 to 3,000 cubic feet. For a larger area, multiple units will be used. It is said to be equal in cooling effect to the melting of approximately 1,400 lbs. of ice per day. It is specially designed for individual rooms in homes and offices, and will also find a place in beauty parlors, funeral chapels, tea rooms, club rooms, barber shops, restaurants, etc.

Wire Sales

Preliminary figures for 1935 show that factory sales of wire and cut nails by Canadian producers were valued at $3,482,800, the corresponding value for the previous year being $3,463,807.

ALL COMMERCE moves on STEEL

From the early morning awakening by a steel alarm clock to the night's rest on a bed made with steel, modern living depends on steel.

Factories all over Canada are busy making articles of steel to supply your needs. If you want to give other Canadians jobs, ask for Canadian content in all articles containing steel.

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CANADIAN
STEEL
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DOMINION FOUNDRIES
AND STEEL LIMITED
HAMILTON - CANADA

STEEL PLATE - TIN PLATE - STEEL CASTINGS

DB COMPANY LIMITED

STEEL STRUCTURES
RAILWAY AND
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AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

Industrial Proverbs:

"A Company is known by the MEN it keeps"

"A man is known by the company he keeps," says an old proverb. In paraphrasing these words of wisdom, we at Northern Electric recognize that the quality of our men is every bit as important as the quality of our products.

That's why you will find in every Northern Electric employee a man who has been trained to know his work thoroughly, who is suited by temperament and capabilities to play his part in serving a nation: a man who really likes his job, who works quickly and efficiently, and who GETS THINGS DONE.

That's why we're proud of every member of this national electrical service organization.

Northern Electric
COMPANY LIMITED

A NATIONAL ELECTRICAL SERVICE

40-80

Men of Algoma

Jack McDonald watches "Basket Pouring," a delicate operation at the open hearth furnaces. In the production of certain special steels, the molten metal is poured through a steel box, into two ingot moulds simultaneously. This slows up the rush of steel into the mould, giving a better surface to the product. Gases escape and impurities rise to the surface, producing a cleaner steel.

JOHN H. ("Open Hearth Jack") McDONALD

● ROMANCE! DRAMA! DANGER! Few branches of modern industry demand so much of Courage, Knowledge, Experience and Skill as does the making and fashioning of steel.

Jack McDonald—"Open Hearth Jack"—is Superintendent of the Open Hearth Furnaces in the huge Algoma Steel Works at Sault Ste. Marie. Jack is one of the respected leaders of the 2200 "Men of Algoma" who are engaged in producing dependable, high-quality alloy and carbon steels of the correct physical and chemical properties. When steel leaves Jack McDonald's department it has the right qualities for the purpose for which it is intended.

For 35 years steel produced and rolled by the "Men of Algoma" has played an increasingly important part in the national life of Canada.

ALGOMA STEEL

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Chain Link
FENCE
Dresses up Your Grounds

Made of *Copper Bearing,* heavily galvanized chain link fabric erected on Stelco Pipe, this smart, permanent fence enhances the beauty of your property and keeps trespassers and wandering animals *out.* It resists rust, does not sag, nor get out of alignment and needs no painting nor other upkeep. Inexpensive because its first cost is its last. Made in Canada from ore to finished product — a Canadian fence for Canada's climate. Write for booklet. Estimates gladly supplied without obligation.

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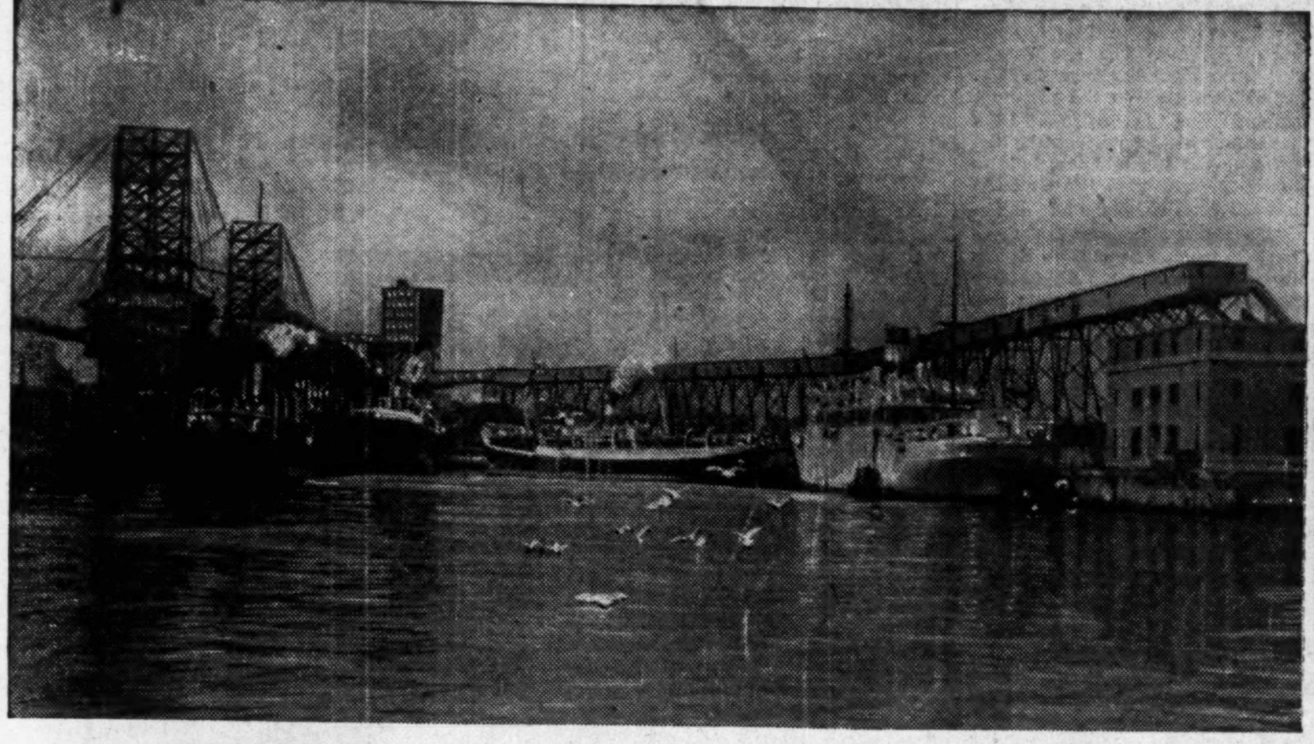
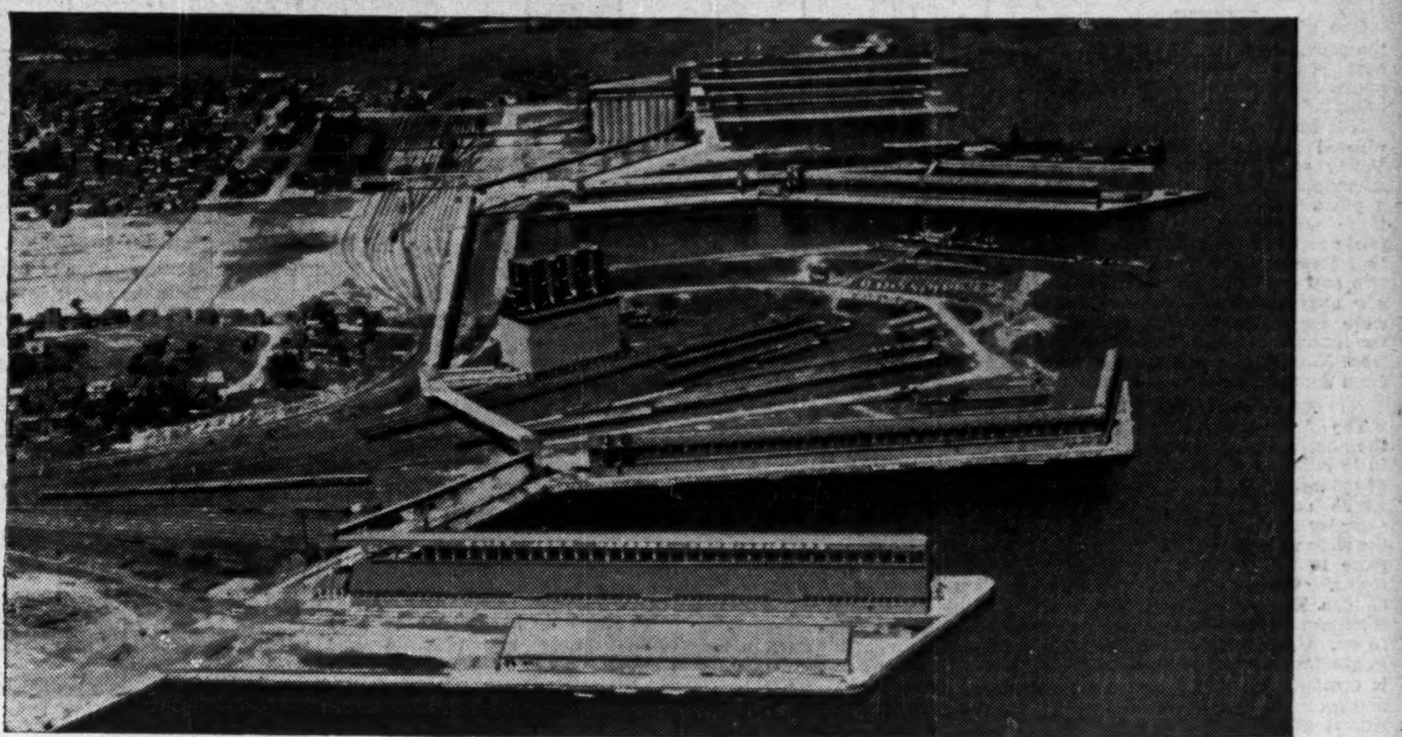
THE FINANCIAL POST

SECOND SECTION

Vol. XXX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JUNE 20, 1936 | 10c a Copy; $5.00 a Year | No. 25

Revival of Confidence Features Maritime Industrial Outlook





LINKING LAND WITH WATER

IDEALLY situated for handling trans-atlantic and coastal trade, the naturally fine harbors of Maritime ports have been constantly developed and provided with most modern facilities to meet all requirements. As a consequence, they are ranked with the best in the world.

The value of the ports to the eastern provinces is difficult to overestimate, as the benefit extends not only to the thousands directly employed, but also to those engaged in a host of subsidiary operations.

In the first four months of this year, despite a small reduction in tonnage, value of exports consigned through Maritime ports registered a 22 per cent advance over the same period in 1935 and imports gained about 7 per cent.

Pictured above are a section of Halifax harbor, on the left, and an aerial view of the Saint John development. Construction is still in progress at the latter port, with the central section due for completion about the end of 1937.

Financial Stability

Enviable Record of Public Administration Sets Good Example for Rest of Canada

DESPITE the adversities suffered by the Maritime provinces in recent years in common with the rest of Canada, they have managed to maintain sound financial positions.

In this they are in sharp contrast to their three sister provinces at the western extremity of the Dominion — that is, British Columbia, Alberta and Saskatchewan. Just as they lie a considerable distance apart, so their fiscal policies and financial standing are widely divergent.

The western provinces, with the exception of Manitoba are currently faced with major financial crises. All of them have found it necessary to borrow large sums from the Dominion government and Alberta has recently defaulted on principal and cut the interest rates on its bonds. None of the three at the present time is able to borrow funds in the open market.

Sound Credit Rating

The three Maritime provinces on the other hand enjoy sound credit ratings as is indicated by the favorable prices received for recent bond issues. The fact that their bonds with coupon rates of four per cent or over are selling at a substantial premium is another indication of their good financial positions. Maritime provincial bonds are included in the high-grade government security classification.

It is not only in the realm of provincial finance that the Maritimes enjoy an enviable record. In the field of municipal finance the three eastern provinces have a record unexcelled by the rest of Canada. Municipal finance in the Maritimes has without doubt been more capably handled than in any other part of the Dominion. In the three provinces there has been only one municipal default although 11 per cent of the total municipal debt of Canada as a whole is in default, and that is of a minor nature, the town of Inverness defaulting on principal only in August, 1935. Furthermore, there does not appear to be any danger of defaults occurring. The finances of most municipalities are in a fairly sound condition and recently improvement has been shown in tax collections.

* * *

Character Comes First

THERE are several explanations of this excellent record in public finance. Primarily, however, it is the character of the people. With a background of tradition and conservative in all things, the people of the Maritimes are essentially frugal in nature. In times of prosperity they have saved their money and this has helped to tide them over times of adversity. In addition they have not been carried away by excessive optimism as have the people of other parts of Canada, and for this reason have not embarked on expensive and unnecessary services.

Stability of Business

Another important reason is the relative stability of Maritime economic activity. While there is a definite economic tie between the three eastern provinces and the rest of Canada, business in that section of the Dominion has always tended to react less sharply to cyclical changes. In the period of prosperity immediately preceding the depression the boom curve in the Maritimes did not rise as high as in the rest of the Dominion and as a result the curve did not have as far to fall. Also the relative drop in business was not as great. While central and western Canada were slowed down by the depression in 1930 and 1931, conditions in the Maritimes continued fairly normal. As in most centres, nevertheless, the bottom of the depression was felt in 1933.

All during the depression, however, except for a brief period in the fall of last year, the level of business in the provinces by the sea has been above that of other parts of Canada. Since then the trend has resumed its upward course and once again the level of business activity in that section of the Dominion is above the general level of the country.

Relief Costs Lower

Per capita direct relief expenditures in the Maritimes have been the lowest in Canada, and this is an important factor since relief expenditures have been the principal reason for unbalanced provincial and municipal budgets throughout Canada during the past five years. The lower relief costs are due to several factors: first, because of the general stability of business in the Maritimes and the character of the people there have been fewer applicants for relief; second, relief allowances are smaller.

Proud of Record

The Maritime provinces are proud of their record, and rightly so. Early this year, Nova Scotia, in an advertisement, explained why its bonds are a safe form of investment in these words:

> "Neither the province or any one of its municipalities has ever defaulted on payment of interest on its bonds.
>
> "These are safeguarded by sinking funds, by the natural wealth of the country, and by the character of the people. Nova Scotia has an honorable past and an assured future."

The other Maritime provinces, New Brunswick and Prince Edward Island, can make the same claim.

While the Maritimes are enjoying the benefits of sound financial positions it should not be taken for granted that all is rosy in the realm of public finance in the three eastern provinces. In common with the rest of Canada provincial and municipal financial administration in the Maritimes has had its unfavorable aspects during the depression years. Large deficits have been piled up and debenture debt has increased sharply. Deficits, however, have not been as proportionately large as in most of the other provinces and there is no indication that the load of debt is becoming over-burdensome.

Highway Expenditures

An important factor contributing to the increase in debt in recent years has been the large expenditures made on roads. An extensive programme of road improvement has been carried out by all three provinces. Expectations are that the provinces will be amply repaid for these expenditures through revenue derived from tourist traffic.

Various aspects of the financial position of the three provinces are reviewed below:

* * *

Prince Edward Island

PRINCE EDWARD ISLAND, the smallest province in Canada, has increased its debenture debt in the past four years 2¾ times. Gross funded debt has risen from $2.1 millions at Dec. 31, 1931, to $5.7 millions at the end of 1935, and net debenture debt from $1.6 millions to $4.6 millions. In addition there was $581,779 of unfunded debt at the end of last year. Despite this increase the province continues to have the second lowest per capita debt in Canada.

In each of the past five years, Prince Edward Island has had a deficit on ordinary account, the deficit in 1935 amounting to $376,297. Another deficit has been budgeted for in 1936, ordinary revenue being estimated at $1,639,267 and ordinary expenditure $1,709,597.

Revenue and expenditures have both shown marked and steady increases since 1929 when ordinary revenue amounted to $840,226 and ordinary expenditures $836,437. This compares with ordinary revenue of $1,524,546 and ordinary expenditures of $1,900,843 in 1935. Unemployment relief aids have for the most part taken the form of public work expenditures on highways, etc.

The increase in expenditures in Prince Edward Island since 1924 has been more marked than in any other province with the exception of Saskatchewan, amounting to 128 per cent. Although revenue has shown a sharp advance, per capita revenue from provincial taxation on the island remains the lowest in Canada.

The budget experience of the province, including capital and special expenditures, for the past four years, is shown below.

P.E.I. Budget Experience

Year	Revenue $	Expenditures $	Deficit $
1935	1,914,671	2,997,398	1,082,727
1934	1,539,952	2,026,358	486,406
1933	1,686,416	1,686,415	......
1932	1,636,785	2,014,923	378,138
1931	1,267,115	1,866,601	599,486

* * * *

Nova Scotia

NOVA SCOTIA, like every other province in the Dominion, has been piling up deficits and increasing its funded debt during the depression. The province, nevertheless, is sound financially and recently there has been improvement in its position. In the current year the province hopes to be able to report a surplus on ordinary account for the first time in four years.

(Continued on page 16)

Industries Progress

Maritime Business at Higher Level — Renewed Confidence Brightens Outlook

BUSINESS is better in the Maritimes.

This is not to be interpreted that business and finance in Canada's three eastern provinces have made spectacular strides. There has, however, been steady, definite progress since the beginning of the year and the outlook is far from bleak.

Hopefulness of the situation lies not so much in statistical evidence of further recovery—although this is available—as in the more optimistic view taken by Maritime businessmen. In Nova Scotia, particularly, has sentiment become more favorable. From Cape Breton, which is enjoying heightened activity at the steel and coal plants, features which dominate and permeate the economic life of the entire district, right down through the Annapolis Valley, where confidence has been buoyed by last year's developments in the apple market, there is a spirit of increased confidence in the future.

Practically all are agreed that conditions, taken generally, were slightly better in 1935 than in the previous year. Most are of the opinion that this improvement has continued, in many instances at an accelerated pace, in the current year. Conditions even yet, however, are still far below what could be desired.

The major problem of the Maritimes is thus not to iron out the fluctuations in business activity, but rather to permanently raise the level of her entire productive enterprise. Most authorities are convinced that the Maritimes will never become an essentially industrialized territory. Future development appears to lie largely in promotion of a number of smaller enterprises. A large measure of industrialization is made unlikely by lack of both resources and the necessary population to provide an adequate domestic market.

* * * *

Won't Quit Confederation

MARITIMERS consider their problem largely one of tariff regulation and geographical location. It was stated in the Jones Commission report last year that the protectionist policy of the Dominion as a whole has worked to the detriment of the Maritimes as a unit in that Dominion. A large raw material producer, the eastern section of Canada has been faced with problem of buying its manufactured goods at cost plus freight from other parts of Canada, or at cost plus freight plus duty from other countries.

At the same time, prohibitive freight rates, it is claimed, along with the limited domestic market, have militated against large scale development of resources and have hampered marketing in other sections of the Dominion. The same limited domestic market, along with retaliatory duties in foreign countries, has made export of industrial products extremely difficult.

The matter of "Maritime Rights" hinges to a considerable extent on this premise. Rightly or wrongly, there is a sincere belief in the Maritime Provinces that they have been "milked" to the benefit of the other provinces. Many a Maritimer contends that economically speaking, Confederation has been to the detriment of his province.

To some extent, he will admit, he himself is to blame. He has not been sufficiently aggressive; he has been too much concerned over relatively insignificant claims. The feeling of bitterness, mingled with perhaps a touch of jealousy, is most strong in New Brunswick, but is found throughout the provinces.

It is extremely doubtful, however, if trouble could be stirred up to the point where any province would leave Confederation. There has been talk of secession; many have claimed that the provinces would thrive if an autonomous unit apart from the Dominion were established. Most of those in a position to judge believe this will never eventualize.

* * * *

Treaty Brings Some Help

AS HAS been said, much of the Maritime problem has to do with tariffs. Until recently it was felt that exceptionally little, if any, consideration was given to the Atlantic provinces when tariff negotiations were effected. The trade agreement with the United States at the beginning of this year, however, is regarded as a step in the right direction, and the 1936 budget is viewed as providing some further concessions. Upon the outcome of the trade pact much of the optimism in the Maritimes is founded, particularly in respect to the lumber trade.

Already, indications are that the halving of the duty rate on lumber is resulting in higher shipments across the border. Benefit is expected chiefly in New Brunswick, which to a very large extent relies on prosperous lumbering for good conditions generally, but assistance is also predicted for Nova Scotia. Lumber production in Prince Edward Island, of course, is almost entirely for domestic consumption.

Those in the fishing industry were rather disappointed at the terms of the treaty, contending that the bulk of the catch will be unaffected. Conditions in the industry have continued the improvement noted last year, with both volume and value of production

(Continued on page 16)

—Photograph by Leslie Thatcher.

LOOKING FORWARD

The above photograph depicts a Maritime fisherman, oar-locks over his shoulder, on his way from the day's work. Untroubled and confident, his is the view of the Maritimes themselves as they look to the future.

Coal for Sale

Nova Scotia's Black Diamonds Push Farther and Farther West

OF every two families living in Nova Scotia, one is dependent, directly or indirectly, on the coal mining industry.

Yet this industry, which without rhetoric may be called the very life blood of the province's economic well-being, is today supplying only half the employment it could normally provide.

Add to these facts the fact that in 1935, for every ton of bituminous coal sold by Nova Scotia, Canada imported nearly, two tons from foreign sources and one has the broad outline of what is, to Nova Scotia, the problem of the hour.

The problem reduces itself to one of dollars and cents. Any prejudice which might at one time have existed in the minds of Canadian consumers against the Nova Scotian product is being rapidly broken down, largely due to a vigorous campaign waged by the provincial government as represented by Hon. Michael Dwyer, minister of Public Works and Mines. It has been shown that for most purposes, the Nova Scotian product, either as coal or as coke, is as satisfactory as the imported product. General Motors, at Oshawa, is only one firm which has tested Nova Scotian coal, and found it satisfactory, with the result that almost all the coal used by this company next year will have originated in the Atlantic province. For some years, Quebec producers have used it with apparent satisfaction. This year the Ontario government is reported to have placed a sizable order for Nova Scotian coal for use in public institutions.

* * * *

Problem Not New One

THERE is little "news" in Nova Scotia's coal problem. It is a problem which is a good deal older than the depression. Every year, however, the problem grows more acute, and has now reached a point which brings it into focus with Ontario eyes. Nova Scotia has few big industries, steel and coal being one of the largest. Not being an industrial centre, the province makes an important market for central Canadian manufactured goods, and accordingly the purchasing power of the residents is of paramount importance to all Canada, apart altogether from the sentiment involved. When a large proportion of these residents can, in most cases, get employment for only two days out of seven, their purchasing power is proportionately impaired. In other words, Nova Scotia's coal problem is no longer localized.

Government's Record

The government has, to a certain degree, recognized this fact, and, dating from 1924, has attempted various forms of assistance to the Nova Scotian industry. The steps taken in this regard might best be shown by the following tabulation:

1924—Federal government makes first efforts to expand markets for N. S. coal by voting money to reduce freight rates. This order-in-council expired March 31, 1925.

1926—Duncan Commission recommends that above assistance be restored. Board of Railway commissioners instructed to ascertain cost of transporting eastern coal to Quebec. Little else, however, done.

1928 (March)—Test shipment made of Maritime coal to Quebec. Later assistance given in the form of a temporary rate of $3 per ton for N. S. coal, and $2.10 for New Brunswick coal moved by rail to Quebec points during period of navigation tie-up. Also coal shipped by water to St. Lawrence ports granted subvention of one-fifth cent per ton per mile with maximum of 75 cents per ton. Railway coal excluded.

1931 (May)—Above assistance changed to one-seventh of a cent per ton per mile with a maximum of $2 per ton. Coal to Ontario was assisted to the extent of one-third of one cent per ton per mile with a $1.50 maximum. Railway coal included for first time, and tonnage in excess of the 1928-29-30 average consumption were bonused at the same rate as industrial coal.

1932—Above assistance extended to include areas which might be reached by means other than direct rail from mines or river ports.

1932 (July)—Assistance provided for coal operators without water facilities for entire year, instead of only that portion of the year during which water transportation to St. Lawrence ports not practical.

1932 (November)—Railway objection to assistance applying only to that portion of coal over previous year's consumption concurred with, and assistance made applicable on all coal used by railways.

1933—Maximum of $2 granted railways raised to $2.50.

1934 (May) Present schedule put into effect by order-in-council.

At the present time, the assistance given Nova Scotian coal is as follows:

1. Coal shipped by water to St. Lawrence ports and shipped inland to Quebec points is given freight assistance to the extent of one-fifth of one cent per ton per mile, with a maximum of 75 cents per ton.

2. When moved from St. Lawrence ports to Ontario ports, the assistance amounts to one-third of one cent per ton per mile, with a maximum of $1.50 per ton.

3. If the coal is shipped by rail all the way from Nova Scotia to Quebec points, the assistance amounts to the difference in amount per ton between the laid down cost Nova Scotia coal and the cost of imported coal. This difference is estimated by the Dominion Fuel Board, and the maximum is $2 per ton.

4. If moved by rail from Nova Scotia to Ontario the assistance is one-seventh of one cent per ton per mile, with a maximum of $2 per ton.

5. Nova Scotia coal purchased by the railways for their own use in Ontario and Quebec is given the same subvention rate as in (3) above.

Aided by Tariffs

In addition to these subventions, Nova Scotia coal is aided by traiffs, which, on bituminous coal, have remained the same since 1931, at 75 cents per ton intermediate tariff and 75 cents per ton general tariff. Under British preference, British bituminous is subject to a tariff of 35 cents per ton. Coke comes in free under British preference, and is subject to $1 per ton intermediate and general.

* * * *

Need Help to Survive

THIS assistance, Hon. Michael Dwyer told The Financial Post, was not sufficient to allow Nova Scotia the markets necessary if the industry is to survive. He claimed that it was not a question of increasing the costs to consumers by forcing them to use Nova Scotia coal. If the Nova Scotian coal industry were to collapse, as, he stated, was not impossible under present conditions, foreign producers, enjoying a monopoly, would increase the price in any event. The solution to the problem, in the opinion of the minister, lay in increasing the $2 per ton maximum mentioned above as applying to coal shipped into Ontario.

In the meantime, the industry is making definite strides in enlarging the markets in Ontario and Quebec, and in pushing the limits farther and farther west. As recently as 1928, the most westerly point reached by Nova Scotia coal was Kingston. Last year, coal was delivered to London, Centralia, Creighton, and Kapuskasing, in addition to cities and towns farther east.

The Dominion Bureau of Statistics has reported the following production figures for Nova Scotia coal since 1928:

Production Record

Calendar year	output	net tons moved
1928	6,743,504	113,905
1929	7,056,133	304,276
1930	6,244,300	372,029
1931	4,941,490	401,597
1932	4,019,068	703,691
1933	4,520,148	1,480,475
1934	6,314,441	1,814,460
1935	5,808,420	1,534,838

It will be seen from the above table that while subventions and tariffs have aided the eastern coal industry to make big strides in the Central Canada market, the actual output of coal, which really reflects employment, has not risen in proportion.

Nova Scotians believe that with the cooperation of the government and the interest of central Canadian consumers, they can solve their problem, and put their men back to work at least for 75 per cent of the time. By doing this, they point out, the relief burden of the central government will be relieved, and the Maritime market for central Canadian manufacturers will be revitalized. In their drive to open up the markets of Ontario and Quebec this year, the province has been aided by the wave of enthusiasm stirred in central Canada by the gallant rescue effected by Nova Scotian miners at Moose River. Sentiment, however, is not enough, and the province feels that it has something a great deal more tangible to offer as an inducement for Ontario and Quebec consumers to purchase Nova Scotian bituminous.

Apple Trade Adds Millions To N.S. Income

1935 Crop Lower But of Very Good Quality

PRICES JUMP

One of the earliest industries in the province, although not until recent years a major industry, in apples Nova Scotia now has its most important exportable crop.

It is believed the first trees were planted in the famed Annapolis Valley at what is now known as Annapolis Royal, away back in 1610, 5 years after the first settlement there was made. Expansion was fairly rapid in the years immediately following, but it was not until two and a half centuries later that any appreciable quantities of fruit were exported. In 1881, however, the first steam vessel to carry apples from Nova Scotia took 6,800 barrels from Annapolis Royal to London.

Apple Growing Area

The Annapolis Valley in which the apples are grown varies from 5 to 15 miles in width along a stretch of 100 miles. In it are grown apples which authorities claim have no superior in their class. Included in the wide variety which have brought fame to the province are Gravensteins, Cox's Orange, Ribston, Golden Russet, Baldwin, Wagener, Northern Spy, Stark, Ben Davis and so on. Golden Russets are shipped in greatest quantity and a good price is commanded. They find a ready market in England—a market which Russet growers have not yet been able to overload. Cox's Orange, a dessert apple which also brings a good price, is of particular value when the crop is short.

Crop Lower, Quality Good

Compared with 1934, last year's production dropped half a million barrels, but the apples were clean and exportable. The most important factor during the year, however, was the buoyancy of prices. Compared with the corresponding period of the previous year, prices of apples are up about 70 per cent. Many growers have been averaging $3.50 and $3.60 a barrel, compared with $2 the year before.

Estimated output in 1935 was 1,719,298 barrels of which 100,000 were distributed in the home market, 250,000 utilized for by-product consumption and the remainder shipped abroad, mostly to England.

There is a growing tendency in England to handle Nova Scotia apples rather than to depend too much on the United States output. Nova Scotia shippers want to hold the Old Country market and realize that this can be done only through maintenance of quality. With this in mind, inferior apples are kept off the market. The export board which was established to regulate shipments has thus found its duties far from onerous over the past year.

Because of the volume of production and the fact that a large proportion of the product is sold outside the province, excellent selling organizations have been established and the marketing is largely in the hands of about 100 organizations, both co-operative and privately managed. While much of the crop is sold on a consignment basis, it is increasingly evident that selling on f.o.b. prices is definitely on the increase.

Permanent establishment of a high class commercial pack of apples in the province is believed to be dependent upon establishment of an adequate market for lower grade apples. Designed for this purpose, there are now about 10 plants that utilize the inferior product in the production of evaporated, dehydrated and canned apples. Generally speaking, about 25 per cent of the entire crop finds its outlet in these plants, but owing to the exceptional quality of the 1935 crop this proportion was rather less last year.

New Brunswick Production

Apple farming is also carried on in New Brunswick, although production is relatively small in comparison with that of the sister province. Production in 1935 as reported to the government was 22,459 barrels, and allowing 10 per cent for returns not secured, total output was probably about 25,000 barrels, about 30 per cent above the level of the previous year. About a third of output was marketed outside the province, chiefly in Quebec.

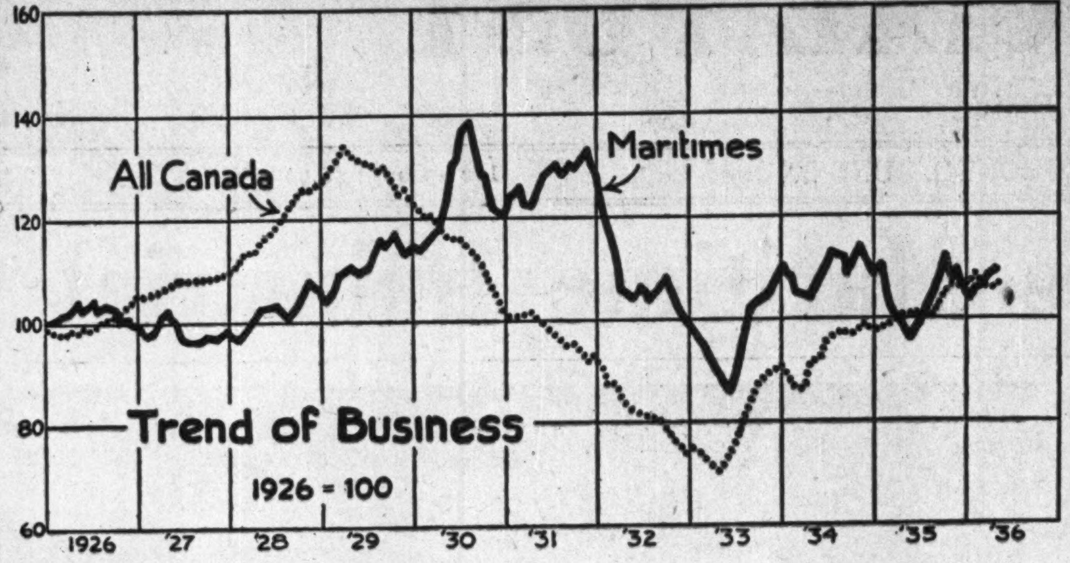
Prices on both local and Quebec markets for practically all varieties of the New Brunswick product averaged higher than in 1934, reaching a peak for the period since 1930.

Land Settlement Further Extended

New Brunswick's policy of land settlement was further extended in 1935. During the year, demand for land for colonization continued and 504 new settlers each received lots of 100 acres. This brings the total number of approved lots apportioned over the last four years to 202,200 acres, or 315 square miles.

Colonization has been carried out principally in the counties of Madawaska, Restigouche, Gloucester and Northumberland. In many of the new settlements, arrangements for marketing fuelwood, pulpwood, ties, etc., have been completed so that settlers may be able to provide their own support.

Provincial authorities determined that any necessary assistance or relief would be afforded only on a basis of work done, and last August introduced a land clearing bonus of $12 an acre and a bonus of $8 for first plowing.



BETTER THAN AVERAGE

Fluctuations in business activity of the Maritime Provinces over the last 11 years are depicted in the above chart. Particularly to be noted is the advance since the beginning of the current year, bringing the index once more above that for the Dominion as a whole after a temporary drop last year.

Net value of production, not included in the chart, in the Maritimes declined relatively less from the impact of the depression than the Canadian average, and on a percentage basis has recovered more rapidly. In 1930 and 1931, declines in Canadian production were more severe than those in Maritime production. In 1933, the Maritimes showed a gain, contrasting with the country at large, and in 1934, the last year for which complete statistics are available, recovery in the eastern provinces was relatively greater than in the Dominion as a whole.

Financial Stability

(Continued from page 15)

Revenue and expenditure have both shown a steady increase throughout the depression, the former as a result of higher taxation. In the period ended Nov. 30, 1935, which was of 14 months duration because of a change in the fiscal year, revenue rose more sharply than expenditures and as a result the deficit on ordinary account, before provision for sinking fund installments, was cut in half as compared with the previous year, amounting to $515,410.

If sinking fund provisions and direct relief expenditures are included the total deficit in the 1935 fiscal year was $1.3 million. Total capital and special expenditures in 1935 amounted to $6.1 millions. Of this, $5.3 millions was on highways.

Debenture Debt Increases

Net debenture debt of the province has increased by $30 millions since 1929 to $76.3 millions at Nov. 30, 1935. Unemployment relief expenses and exenditures on highways have been the principal factors in this increase. Of a total debenture debt of $85.8 millions, $14.1 millions was issued for the Nova Scotia Power Commission. This portion of the debt is self-supporting. Per capita debenture debt, after deduction of sinking funds, amounts to $145.

The budget experience of the province on ordinary account is shown below:

Year	Revenue	Expenditures	Deficit
	$	$	$
1930	7,682,066	7,900,987	328,921
1931	8,104,602	8,194,592	89,990
1932	8,100,988	7,858,238	†242,750
1933	7,226,911	8,441,853	1,214,942
1934	8,014,619	9,143,766	1,129,147
1935	10,640,860	11,156,001	515,141

† Surplus.

* * *

New Brunswick

In each of the past six years, New Brunswick has reported a deficit on ordinary account and net debenture debt has increased by $25.9 millions since 1929 to $61.2 millions. Deficits, however, have never exceeded the million dollar mark, the largest being in 1934 when expenditures exceeded revenue by $876,552.

Unlike its Maritime sisters, New Brunswick has not experienced any sharp increase in revenue during the depression as a result of higher taxation and neither has there been a sharp rise in expenditures on ordinary account. In the years 1931 to 1933 inclusive, there was in fact a decline in both revenue and expenditures. In 1934 and 1935, however, expenditure and revenue both increased, the most marked advance being made by the former.

As regards expenditures there is evidence of economy since the province has the lowest per capita expenditures of all provinces in the Dominion. In respect to relief the province has been particularly fortunate as expenditures for this purpose in proportion to its population has been much lower than in any other province.

As in the other Maritime provinces, the principal factor in the increase in debt has been large expenditures on highways. The province is making an active bid for more tourist traffic. Expenditures for this purpose showed a sharp increase in 1935 and further large outlays are being made this year.

Finances of New Brunswick have not recently shown as marked improvement as those of Nova Scotia and it is possible that deficits will continue unless measures are taken to prune expenditures. Expenditures in 1935 were not kept within the estimates and this was the main reason for a deficit being shown.

The budget experience of the province on ordinary account is as follows:

New Brunswick Budget Experience

Year	Revenue	Expenditures	Deficit
	$	$	$
1930	6,598,726	7,218,856	620,130
1931	5,980,914	6,761,420	780,506
1932	5,794,830	6,360,893	566,063
1933	5,169,414	5,598,933	329,519
1934	5,436,508	6,313,060	876,552
1935	6,342,491	7,045,607	703,118

Saint John Homes Have Many Rooms

Apart from Ottawa and London, Saint John, N.B., boasts the highest figure of any of the larger cities in the Dominion in regard to the average number of rooms in its houses. For single houses it registers the highest total of any province, at 7.2 rooms and is second largest in semi-detached at 6.6. It also boasts the largest apartment suites at 5.4 rooms and the largest flats at 5.8 rooms.

There are relatively more people paying low rents in Saint John city than in any other large centre in Canada. The percentage of tenants paying $15 or less for shelter a month is 37.19—more than 10 per cent above the second city. The predominant monthly rental for the city is between $10 and $15, the only city in the Dominion having such a low figure. It should be kept in mind, however, that the main type of workman's dwelling in Saint John is the flat, which, of course, normally rents for less than a single home.

Trade to Continue

The steamships recently sold by the Canadian government to the Montreal - Australia - New Zealand Lines will continue sailings to and from Halifax for the next five years. For some time the ships, running to Australian ports, have made regular visits to the port of Halifax.

Records Good In Maritimes

D. I. Macdougall, Halifax, vice-president of the I. D. A. Maritime District, in his report to the annual meeting at Jasper Park Lodge, quotes Ralph E. Miller of T. M. Bell & Co., Saint John, on the good record of municipalities in the Maritime provinces.

Mr. Miller states:

"In the Maritime provinces, with one exception, the record of the municipalities regarding meeting their obligations has not been impaired. The one exception is the town of Inverness, N.S., which defaulted on the principal amount due in August, 1935. There has been a proposal by the town to the bondholders, but up to the present time the situation has not been cleaned up."

The report points out that there have been amendments to Security Frauds Prevention Act in New Brunswick and Nova Scotia and expresses the hope that within two or three years at the most a standardized Securities Act will be agreed upon by the different provinces.

Trade Value

Despite a four per cent reduction in tonnage, the value of imports through Maritime ports increased 6.8 per cent in the first four months of this year in comparison with the same period a year ago, and export values advanced nearly 22 per cent.

Industries Progress

(Continued from page 15)

above last year's level, but the situation is still far from satisfactory.

While the industry is of secondary importance from the viewpoint of production value, it is of major importance in affording employment, and many villages are almost entirely dependent on it for livelihood.

Disruption of foreign fish markets has had an adverse effect both directly and indirectly on the Maritime industry. Imposing of sanctions against Italy, for instance, although not directly affecting the Maritime cod fishermen, has had the effect of throwing upon the market the supplies of other countries which in previous years had been consigned to Italy, thus disorganizing the general situation.

Government grants to aid fishermen, announced this spring, are expected to be of material benefit.

Agriculture in the Maritimes is practically entirely confined to production for domestic consumption. Two major exceptions are apples from the famed Annapolis Valley in Nova Scotia, and potatoes, chiefly from New Brunswick and Prince Edward Island. Producers of both these export products had a successful season last year. Output in both cases was lower, but prices advanced to a point where the return from the crop was substantially in excess of 1934. Revenue from agriculture as a whole improved over the year. In the current year, prices of agricultural produce have for the most part made further advance.

Despite a relatively large farm population, well over $20 millions of farm produce is annually imported into the Maritimes from other provinces. That some of this could and should be grown domestically is the opinion of the authorities and encouragement is being given additional farm production and marketing.

Mining is confined largely to Nova Scotia, but its influence is widely felt. Coal production, on which the province is dependent to a surprisingly large extent, gives indication of further improvement. Increased publicity in other parts of the Dominion is meeting with a measure of success and hopes of a more prosperous industry have been revived.

A relatively new industry has developed in all three Maritime provinces, and its growth has been steady and productive of considerable revenue. Catering to tourist trade has become a major occupation. Last year was most successful along these lines, and indications point to even greater volume of tourists this season.

Largely because of this industry has come the rapid development in Maritime roads. Substantial expenditure is being made annually to provide the best in highways, and it is hoped that before many years the remaining improved gravel main roads will have been replaced by more permanent pavement.

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Everyone who enters the woods is a potential menace to them. In a moment of carelessness a traveler can start a fire which may destroy a vast forest area, imperil the existence of the industries dependent on it, and threaten the wages of hundreds of families.

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New Brunswick International Paper Company

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THE ALGONQUIN
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Rates as low as $8 per day. Double: from $7 per person American Plan (Meals included) Special rates for families
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The Pines stands in a 16-acre park... one of the beauty spots of Canada. Its windows and terraces overlook sparkling Digby Basin... Salt water swimming pool, tennis, golf on a championship course, fishing, sailing, dancing. The Pines is a modern, fireproof hotel, perfectly appointed and famous for its delicious meals... with its own bungalows in a private park.
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For information, reservations, etc., communicate with Hotel Manager or your nearest Canadian Pacific Agent
Canadian Pacific Hotels

Our Thanks to Ontario!

Satisfied users of DOMINION Coal increase yearly
...use this coal
...and over 325 other firms praise DOMINION Coal
Among ... of DOM... in On...
"We save money by using DOMINION Coal"......
—JOSEPH A. HEWITT, Secretary-Treasurer, Taylor-Forbes Limited
...oal ...n Ont...
"Meets our needs perfectly," says International Nickel
Nova Scoti... "made go...
One of the first to use DOMINION Coal in Ontario
DOSCO
DOMINION NOVA SCOTIA COAL
DOMINION STEEL & COAL CORPORATION LIMITED
Tested and Approved by O... Indu...
It's Good Coal... and it's Canadian!
Howard Smith Paper Mills, Limited

Burn Nova Scotia Coal-Keep Your Money in Canada!
...MINION COAL
High Grade Coal
...ustry
Good Canadian Coal!
...est!
BIG USERS OF COAL approve and use this Canadian Fuel
Industry Approves!
Northern Rubber Co. Limited, Guelph
One of the many satisfied users of DOMINION

On behalf of the miners and people of Nova Scotia we gratefully acknowledge the patronage of those Ontario Industries and public bodies who have become satisfied users of Nova Scotia Coal

Since 1932, when "DOMINION" Nova Scotia Coal was made available to industral coal users in Central Canada on terms to compete with imported bituminous, we have from time to time published in the press our acknowledgments to those firms and public bodies in Ontario who have tried this high-grade bituminous coal and found it satisfactory. Some of these announcements are shown in reduced size on this page.

Ontario Industries Support a Good Customer —Nova Scotia!
Beardmore Leathers Ltd. Acton, Ont.
One of the many satisfied users of DOMINION Nova Scotia Coal.
DOMINION NOVA SCOTIA COAL
DOSCO
A few of the other Prominent Users of DOMINION COAL
DOMINION STEEL ... CORPORATI...
CANADA CEMENT...
NOVA SCOTIA COAL has "made good" in Ontario
St. Lawrence Starch Co. Ltd. Port Credit, Ontario
One of the many satisfied users.
DOSCO
A few of the other Prominent Users of DOMINION COAL
DOMINION NOVA SCOTIA COAL
Every dollar spent for "DOMINION" Coal means employment for somebody in Nova Scotia.
DOMINION STEEL AND COAL CORPORATION LIMITED
CANADA CEMENT BUILDING, MONTREAL

We pointed out that the quality of this coal was equal to, if not better than, many of the higher grades of bituminous coal imported from other countries, and was being delivered at Ontario points at a price to compete with the latter; that the prosperity of a sister province, largely dependent upon coal mining for its economic welfare, would be greatly promoted by the sale of its coal in Ontario; and that Canadian industrialists had a direct interest in promoting this prosperity, because Nova Scotia was a present, and potentially a still better, customer for Ontario manufactured goods.

Our engineers co-operated with the heating engineers of Ontario industries in demonstrating that DOMINION Nova Scotia Coal could be successfully and satisfactorily used in their plants. Hundreds of Ontario industries, business firms and public institutions have individually tested this coal and found it suitable. Statements to this effect from their own heating engineers have been published from time to time in the daily and technical press.

The result is that Ontario last year bought some three-quarters of a million tons of DOMINION Nova Scotia coal for heating and steam-raising in industrial plants, commercial institutions, and private or governmental buildings of a non-commercial character, and on railways.

But Ontario's annual consumption of bituminous coal still offers a wide field for the further use of Nova Scotia coal.

It is our hope that more Ontario users of industrial coal will consider the desirability, from the standpoint of both patriotism and enlightened self-interest, of using Nova Scotia coal. We invite them to make an independent test of its suitability for their purposes, and in this our engineers will be glad to co-operate.

"DOMINION" Nova Scotia Coal is a high-grade, full-bituminous coal, with low ash and moisture content, free-burning, with high calorific value and easily ignitable, a good stoker fuel, and can be burned smokelessly in automatic stokers. It has excellent storage properties and requires no more precautions against fire in the pile than imported bituminous.

DOSCO

DOMINION Nova Scotia COAL
is mined and sold by:

DOMINION COAL COMPANY LIMITED

Ontario Office: 159 Bay St. Toronto

CONTROLLED BY

DOMINION STEEL AND COAL CORPORATION LIMITED

Head Office: Canada Cement Building, Montreal

Tourist Trade In Nova Scotia Big Business

Myriad Attractions Create Revenue of $10 Millions

IMPROVE HIGHWAYS

The tourist trade is big business in Nova Scotia.

With more than a quarter of a million visitors attracted to the province in the four summer months, this source of revenue bulks large in the Nova Scotian income. One estimate places the value of the tourists' expenditures at $10 millions annually.

It is thus natural that the government should undertake measures designed to perpetuate and to further increase the trade. One of the chief drawbacks in past years has been highways. These, while in exceptionally good condition, are of gravel construction, and in dry weather are apt to be dusty. One of the major projects of the government in recent years, however, has been a programme of road paving and improvement. More than $6 millions are to be spent over the current year in road construction work.

Consider National Park

As a further feature, a national park is under consideration. While this is not yet under way, it is believed it will be comparable with the Laurentides National Park in Quebec and Algonquin Park in Ontario.

Throughout the province, tourist associations have been formed with the purpose of promoting the attractions of their particular areas. Newspaper and radio publicity is employed by the government to acquaint those in other parts of Canada and in the United States with the beauties and sporting opportunities offered by the province. Listings have been made of sport facilities, rate charged for guide services and boat hire and accommodation. In short, everything is being done to ensure a pleasant stay for the tourist.

Ocean Playground

"Canada's Ocean Playground" is a long, narrow peninsula and the island of Cape Breton. With 5,000 miles of coastline, no part of the entire province is more than 150 miles from an ocean beach. Scenic beauty and free sporting waters mingle with a background rich in historical interest to make a holiday in Nova Scotia one to be remembered.

The major attractions are such picturesque points as Peggy's Cove and Blomidon, the tides of Fundy, the Bras d'Or Lakes, such scenery as dominates the Cabot Trail and the Parrsboro shore line, and historic sites like Annapolis Royal, Grand Pré and Louisburg. Each of the counties has, however, sport facilities and scenic features which can be further promoted as real tourist attractions.

Yarmouth, the southwestern gateway of Nova Scotia, holds historic glamor, and picturesque scenery. A dozen alluring drives lead to delightful fishing hamlets and unexpected seascapes.

Sporting Attractions Varied

Some of the possibilities on which Yarmouth County capitalizes are woodcock shooting, a most popular sport among discriminating visitors; camera hunting, which has no closed season; fishing in the many lakes and streams; the newly-discovered sport of deep-sea fishing at Wedgeport; hiking in its accessible wooded areas.

Nova Scotia's south shore is rich in contrasting scenery. Its white sand beaches, fishing schooners at anchor, long barrens a-bloom with Indian pear or goldenrod, great sea-worn boulders, plodding yoked oxen—these and other arresting features provide novel pictures for every newcomer and remain in the memories of those who have passed that way. Deep-sea sport fishing along the south shore can be developed immensely. All the forested areas along the south shore are ideal territory for the camera hunter and surf bathing along the smooth white sand beaches is a popular feature.

In Search of Halifax

Storied Halifax is being "discovered" each year by increasing numbers of visitors. Its magnificent harbor, Citadel Hill, old St. Paul's, the Public Gardens, Province House and other points of historic interest hold attraction for old and young. Point Pleasant Park with its 200 acres of paths and trails offers every possibility for developing horseback riding as a distinctive Halifax feature. The Northwest Arm is a rendezvous for the lover of water sports. Relatively few cities on this continent have golf, trap shooting, swimming, canoeing, sailing, fishing, yachting and regattas of all sorts available within a few minutes of their centre.

East from Halifax the visitor finds unspoiled regions reaching to the sea, frequent lakes and rocky little harbors that have not changed in centuries. It is a long 200 miles of unfenced scenery that imbues the traveller with an exhilarating thrill of solitude. Along this area both deep sea and inland angling can be developed immensely.

On to Cape Breton

Cape Breton, with its unlimited scenic and recreational values, will become the Mecca of motoring adventurers. Here are the highest hills in the Maritimes—and magnificent hiking trails could be established. Here is historic Louisburg, the unmatched Bras d'Or Lakes, Isle Madame, a real Acadian centre, and the beautiful Margaree Valley. Swordfishing can be developed into a strong attraction for visitors who wish to accompany the boats on their expeditions. The Cabot Trail is a fitting climax to Nova Scotia's scenic pageant.

The Northumberland region of Nova Scotia reaches from Mulgrave to Amherst. Here the gentle blue waters of the Strait, with a midsummer temperature of nearly 70 degrees and fine sand beaches, furnish some of the best bathing in the province. The majority of visitors from inland districts delight in salt water bathing and the possibilities of this Northumberland shore area once its bathing facilities become known to all visitors, are exceptionally great.

Here, too, is another typical Nova Scotian attraction—lobsters, lobster fleets, lobster factories, lobster pounds and the Pictou Lobster Carnival. Inland there is Green Hill with its fine Look-Off and Pioneer Museum, an interesting attraction for summer visitors.

Rugged Coast

Along the route from Joggins to Parrsboro via Advocate, Spencer's Island and Port Greville, are vistas of high hills and rugged shore line that rank second only to the Cabot Trail. Like the drive around Marble Mountain and Malagawatch to Whycocomagh, in Cape Breton, this highway will enthrall city dwellers. Victoria Park at Truro with its alluring footways for hikers, deserves to be even better known.

In Famed Annapolis Valley

The Annapolis Valley is undoubtedly the best-known part of Nova Scotia. Longfellow's poem, and the largest aggregation of apple orchards in the British Empire, have advertised it well. Yet many of its adjacent features deserve more publicity. Relatively few visitors realize that the famous Fundy tides can perhaps be best witnessed at Windsor, or the magnitude of the view can be obtained from the Look-Off at Blomidon. There are great hiking possibilities in North and South Mountain trails, and over North Mountain along the Fundy coast are picturesque fishing villages that delight the visitor. At old Annapolis Royal, with its early relics and ramparts and scenery, is Nova Scotia's greatest historic attraction, and the proposed establishment of a log cabin replica of Champlain's habitation, with poutrincourt's hall wherein the Order of the Good Time was originated, will add greatly to the charm of this district.

Old Custom in Vogue

From Annapolis Royal to Yarmouth there is entertainment for the visitor that can be developed. Bear River and its environs offer every inducement for hunters with cameras. Digby is one of Nova Scotia's play spots with every facility for summer sport, and an unspoiled back country rich in fish and game. The student of folk-character will find at St. Mary's Bay Shore one of the richest districts of this kind in Eastern America. Here the Acadian tongue is still spoken, Acadian customs are still in vogue, and many distinctive racial characteristics prevail.

Nova Scotia was long a battle ground for the mighty forces of England and France. Legends of Glooscap, the Micmac man-god, endow many counties. Her history, scenic charm, matchless summer climate and sport facilities combine to form a foundation of tourist attractions on which the present generation may safely build.

RICH IN TOURIST LORE

There is no more picturesque country in which to spend a summer holiday than the Maritimes, as an increasing number of tourists are annually proving to their own satisfaction. In addition to the unexcelled sporting facilities for the ardent fisherman and huntsman, the three eastern provinces are rich in scenic beauties and historical background.

In the photograph at the upper left is one of the fertile sweeping valleys. In the upper right is one of the many quaint fishing coves to be found along the coast line of all three provinces. The lower picture is of the museum at Annapolis Royal, the site of the first white settlement north of the Gulf of Mexico.

Maritimes Largest Source of Lobsters

Canada is by far the world's largest producer of lobsters; that is to say, the Maritimes are, for all lobsters in Canada are taken by the Atlantic provinces.

It is not generally realized that only in Canada and Newfoundland are lobsters canned, apart from a very small quantity in Norway and the Newfoundland pack is considerably less than that of the Canadian provinces. The true lobster is found chiefly off the shores of the Maritimes and Newfoundland and in some Euopean areas

Until a comparatively few years ago, much the greater part of the Dominion's annual lobster catch was consigned to the canneries. Recently, however, the trade in live lobsters has expanded to a point where more than a third of the total is so marketed. In 1934, nearly 97,500 cwt. of live lobsters were shipped to the United States and called forth a return of more than $1.5 millions.

Last year, the output of canned lobster was not as large as in previous years, partly owing to this growing trade in live fish. However, production is estimated at 101,000 cases, or 15,400 cases under the 1934 level. Canned lobster, one of the chief items in the country's fish exports, find a substantial market in Great Britain and other European countries and in the United States.

Nova Scotia Loan Has Old Charter

The only loan organization operating in Canada under a building society charter is located in Nova Scotia. The Nova Scotia Savings, Loan and Building Society, incorporated in 1849 claims the distinction.

In the early days of the company's operations, long before Confederation, money was loaned on bid. That is, borrowers would come to the company and offer to pay a certain rate of interest, the money being advanced to the highest bidder.

A reminder of early financial operations is still to be seen in the company's capital stock which is of $240 par value. In those days, the pound was the basis of exchange in Nova Scotia. The $240 amount is one which is easily convertible into sterling.

Among several by-laws which do not conform to ordinary present day practice is that which requires shareholders to vote in person—no proxies are permissible. In any event a shareholder, no matter how great may be his interest in the company, is restricted to ten votes.

Record Haul Of Swordfish

Boosted as Sport Fishing Attraction for Tourists

Nova Scotia is the sole source of supply for Canadian swordfish and in 1935 the greatest catch in the records of the Dominion fisheries was registered: almost 2,220,000 lb.

Last year's total was more than twice as large as the average annual catch in the preceding 10-year period, and far exceeded the previous peak of 17,150 cwt. Despite the huge tonnage of the fish, value, apart from the attraction of tourists, is not exceptionally high, last year's catch returning $148,000 to the fishermen. The average value for the previous ten years was $103,800.

Ideal sport for those who appreciate the dangerous element, the sword fish always commands the fisherman's respect. When his prolonged upper jaw comes swiftly into action, there is behind it a huge, powerful body, for it is not uncommon to find a fish which weighs several hundred pounds. On occasion, furied by the attack of the fisherman's harpoon, they will drive their sword into the side or bottom of a fishing boat, and even cut right through the planking.

Fair Eating

The flesh of the fish is firm, nourishing, and tasty, although a little drier than most others. Some of the Canadian catch is marketed in the Dominion, and it is believed that considerably more would be sold were those now unfamiliar with the product to give it a fair test. However, most shipments are to the United States, where they are ordinarily in great demand.

The larger part of the Dominion's catch is taken off the Louisburg-Glace Bay area of Cape Breton Island, where landings last year were more than 12,650 cwt. Victoria County, Cape Breton, and Guysboro County on the mainland of Nova Scotia, are also major sources of supply.

Radio Purchases Highest Since 1931

The Maritimes purchased more radio receiving sets in 1935 than in any year since 1931. During the calendar year 12,903 new sets were purchased compared with 12,566 in the previous year and 8,720 in 1933. Sales during the year represented 6.8 per cent of the total Canadian marketing. The total is valued at $1,126,994.

Five-tube sets were by far the largest sellers, with the six-tubers a popular second choice. Of the total number of sets sold, 2,414 were battery sets, valued at $166,564. Total A.C. receiving sets were 10,194, valued at $943,544, while the 283 automobile models sold for $16,010, and 12 portable sets were taken off the market for $876.

Nova Scotia Fish Catch Shows Gain

Improved Prices Contribute to Increase of $450,000 Over 1934

20,000 EMPLOYED

According to preliminary estimates, the value of Nova Scotia's fish catch in 1935 shows an increase of more than $450,000 above that of the preceding year. This is due in large measure to improved prices. Comparative figures are $8,130,000 in 1935 and $7,674,000 in the previous year.

Although fishing cannot be classed as the industry in Nova Scotia which is most important as far as total output is concerned, it is doubtful that there is any other industry in the province which affords as great a volume of employment.

Employs 20,000

It has been estimated there are some 20,000 people employed in the industry, of which 17,000 are classified as fishermen and the remainder as employees of the various plants engaged in the canning and curing of fish.

More than four-fifths of the entire ocean fishing area of the north Atlantic lies about and adjacent to the Maritimes. It is not surprising, therefore, that this industry has long been one of the most important sources of income for the province as a whole, and a means of livelihood for a substantial portion of its population. The huge fishing grounds from Grand Manan to Labrador form one of the three greatest fishing areas in the world.

Lobster and Cod Dominate

Principal kinds of fish caught by Nova Scotians are lobster and cod, although Nova Scotian mackerel, herring, halibut, sword fish and scallops are well and favorably known. The importance of the fisheries to the province is indicated by the capital investment of almost $8.8 millions. Of this more than $5.8 millions represents the value of the vessels, nets, traps, etc., engaged in the primary operations of catching and landing the fish, and the remainder is the amount of capital invested in fish canning and curing establishments.

Last year there were in operation approximately 175 fish canning and curing establishments, of which the greater number handle lobster. In addition, however, there are units designed to manufacture fish oil, meal, fertilizer, and other by-products.

Both provincial and Dominion governments have been active in improving the condition of the fisherman, and legislation has been placed on the books providing for loans to fishermen and other similar assistance. The government grant announced this spring is regarded by those in the industry as a step in the right direction, and is expected to materially improve the position of those in the industry.

Gasoline Sales

New Brunswick and Nova Scotia, each with an increase of 11.3 per cent, led all provinces in gasoline sales gains in 1935.

81 YEARS

The name "Canada Permanent" has been respected in the world of business and finance for more than three-quarters of a century. During that period the

Canada Permanent Mortgage Corporation
and
The Canada Permanent Trust Company

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OF NOVA SCOTIA LIMITED
• Head Office, KENTVILLE, Nova Scotia •

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The substantial growth of the Nova Scotia Trust Company in the last quarter of a century reflects its successful administration of Maritime estates and the high standard of its service in all branches of Trust Company work.

Its directors and executives are Maritime men pre-eminent in their respective commercial and professional spheres.

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Geo. H. Murphy, M.D., Director
John A. Young, Director
G. R. Harrison, Secretary
T. L. E. Piers, C.A., Auditor
Lloyd Egan & Co., Auditors

Capital Paid Up and Reserve .... $ 654,700
Total Assets $8,116,368

The
NOVA SCOTIA TRUST COMPANY
Executor — Trustee — Administrator
HALIFAX NOVA SCOTIA

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Public Utility
Industrial
BOUGHT — SOLD — QUOTED

Eastern Securities Company
Limited

HALIFAX SAINT JOHN, N.B. MONCTON
SUMMERSIDE CHARLOTTETOWN

National Thrift Corporation Limited

BALANCE SHEET

April 30th, 1936

ASSETS

General and Loan Department

Cash on hand and in bank		$ 2,954.81
Loan contracts	$100,538.60	
Accounts receivable	19,303.50	
	$119,842.10	
Less: Provision for Bad Debts	1,557.80	
		$118,284.30
Directors' debit balances		7,503.71
Securities at cost prices:		
Sundry bonds	$ 2,595.64	
Shares National Thrift Corp'n (New Brunswick) Limited (a subsidiary company) 19,868 shs.	59,604.00	
		62,199.64
Stationery and supplies		550.00
		$191,492.46
Office furnishings, etc., at cost, less dep'n	$ 1,421.04	
Automobile valued at	450.00	
		1,871.04
Investment certificate dept., balance		11.18
Deferred Financial charges:		
Underwriting and organization expenses, etc., relating to Eastern Finance Limited when latter company was acquired during February, 1936	$ 3,248.43	
Less: Proportion written off Apr. 30, 1936	1,000.00	
		2,248.43
		$195,623.11

Investment Certificate Department

Cash on hand and in bank		$ 539.43
Advances to agents	$ 3,184.75	
Less: Provision for losses, allowances, etc.	500.00	
		2,684.75
Reserve Fund, representing cash deposited with Trustee in respect to Investment certificate contracts (Additional deposit of $13,578.40 will be necessary in order to bring fund up to amount required Apr. 30, 1936).		2,354.03
Stationery and supplies		350.00
Office furniture, etc., at cost, less dep'n.		407.50
Deferred Financial charges:		
Financial plan, systems, actuarial tables, etc., at cost as acquired at inception of company	$ 5,015.00	
Less: Amount written off Apr. 30, 1936	1,000.00	
	$ 4,015.00	
Expenses relating to organization of Investment Certificate dept.	5,508.10	
		9,523.10
Profit and Loss account, representing Deficit on operations of department to date (see appropriation therefor, General and Loan Department section)		6,056.68
		$ 21,915.49

Note:—Life Assurance policies on the lives of (4) Directors and made payable to the company amounted to $35,000.00 on April 30th, 1936.

LIABILITIES, CAPITAL, ETC.

General and Loan Department

Accounts payable		$ 5,143.94	
Clients' reserves		1,725.00	
Bank of Nova Scotia, loans secured by deposit of collateral		13,500.00	
Owing Subsidiary company:			
National Thrift Corp'n (N.B.) Ltd.		28,650.30	$ 49,019.24
Directors' credit balances			165.00
Reserve for taxes			508.13
			$ 49,692.37
Provision for unearned interest			1,862.00
Capital Stock:			
Authorized to be issued: 50,000 shares no par value Shares issued (35,000)		$130,515.50	
Appropriation to provide for deficit to date on operations of Investment Certificate department		6,056.68	
Current surplus account	$4,205.90		
General reserve account	3,290.66		
		7,496.56	144,068.74
			$195,623.11

Investment Certificate Department

Reserve for agents' commissions	$ 3,331.82
General and Loan Department, balance	11.18
Reserves for Contingencies and Cash Surrender values of Investment contracts	16,108.55
Lapsed contracts	463.94
Capital Surplus account	2,000.00
	$ 21,915.49

Approved:
J. O. Morse, President.
B. O'D. Durling, Director.

We certify that we have examined the foregoing Balance Sheet of National Thrift Corporation Limited and in our opinion, (subject to the additional particulars set out in attached subsidiary statements and schedules and the further comments relative thereto in our report hereto annexed) it has been properly drawn up so as to exhibit a correct view of the corporation's affairs on April 30th, 1936, according to the particulars and explanations furnished us and as shown by the books of the company.

D. S. HART AND CO.,
Chartered Accountants.

Halifax, N.S.,
May 28th, 1936.

Government Is Assisting Prospectors

Worthy Developments Secure Financial Assistance in N. S.

GOLD OUTPUT UP

Indicative of the interest which is being taken in gold mining in Nova Scotia, is the advisory board appointed by the government to assist operators.

The board has been appointed in accordance with the government's policy to bring prospective developments to the stage where outside capital is attracted. The idea is that the prospector applies to the board for the means with which to obtain machinery and equipment, and general assistance in financing. Along with this application, the applicant must show he has spent his own funds on exploration and that there is some merit in his property.

Property is Inspected

If the application is found satisfactory, a geologist is sent out to examine the property, and on his report the board bases its recommendation to the government. In turn, the government bases its judgment largely on the recommendation made by the board.

The plan has been quite successful in the way of encouraging prospecting, although there has been little to show for it in the way of production. It should be pointed out that the advance, made either in cash or in equipment, is secured by a lien on the property.

At present the board, which meets quarterly, but the executive of which meets at call, consists of: Norman Mackenzie, deputy minister of mines for the province; Dr. F. H. Sexton of the Nova Scotia Technical College; Col. D. H. MacDougall, representing the Engineering Institute of Canada; Sidney Mifflin, representing the Mining Association of Nova Scotia; H. Fellows, representing the Nova Scotia Power Commission; R. D. Graham, representing the Gold Mining Association; R. D. Guildford, representing the Mining Equipment Manufacturers; Professor G. V. Douglas, of Dalhousie University; Professor A. E. Flynn and Professor G. Murphy of Nova Scotia Technical College; and J. P. Messervey, deputy inspector of Nova Scotia mines.

Output Up Sharply

Although, as stated above, little has been accomplished by the plan in bringing mines into actual production, it is felt that in the course of the next three years the results of the plan will be more tangible. Whereas in 1933 gold output from the province was practically negligible, the industry has taken on a new lease of life and output in 1934 was 3,632 oz., in 1935 about 9,050 oz.

Many Gold Districts

There are 66 districts in Nova Scotia where gold has been found, and it is considered that at least 36 of these districts have good possibilities for profitable operation. At present there are 23 distinct operations being carried on in 19 of these districts, where 9 mills are carrying on crushing operations. If these continue to operate steadily in 1936 on the same basis as last year, output should be at least 20,000 oz.

The industry is directly employing about 550 men, and government officials state unemployment relief in those sections of the province where these operations are being carried on is a thing of the past. Developments are summarized by J. P. Messervey, deputy inspector of mines as follows:

Seal Harbor Development

At Goldboro, the Seal Harbor Gold Mines Ltd. has been engaged for the past three years in developing a unique occurrence. The pay zones consist of wide belts of quartzite interlaced with numerous stringers of quartz, one belt being 45 ft. in width on the 100-ft. level. The shaft was sunk last year to the 300 ft. level, and extensive exploration work was carried out, disclosing continuation of the ore bodies on the 300-ft. level. More recently, the shaft has been sunk to the 450-ft. level, and at present the company is engaged in building a 200-ton mill with power equipment.

The Guysboro Mines at Goldenville have been steadily in operation for more than a year, and are said to be making good progress. Formed in June, 1934, the company has been rehabilitating the workings of former operators and carrying on exploration at greater depth. Additional equipment has been added to the company's mill to increase output at least 50 per cent.

At the Montague Gold Mines property in Halifax County, shaft sinking operations are about to commence and additions to the 50-ton mill will lead to increased production. The company has been operating since 1933, with steady progress for the past 2½ years.

Smelters in Field

In the Caribou district the Consolidated Mining & Smelting Co. has been carrying out a comprehensive programme of development for the past two years, including sinking of a 1,000-ft. vertical shaft. At Tangier, the Nova Scotia Gold Mines Ltd. has completed reconstruction of the Hydro plant, and the mine has been dewatered to the 500-ft. level. The company is now preparing to carry on extensive development work underground.

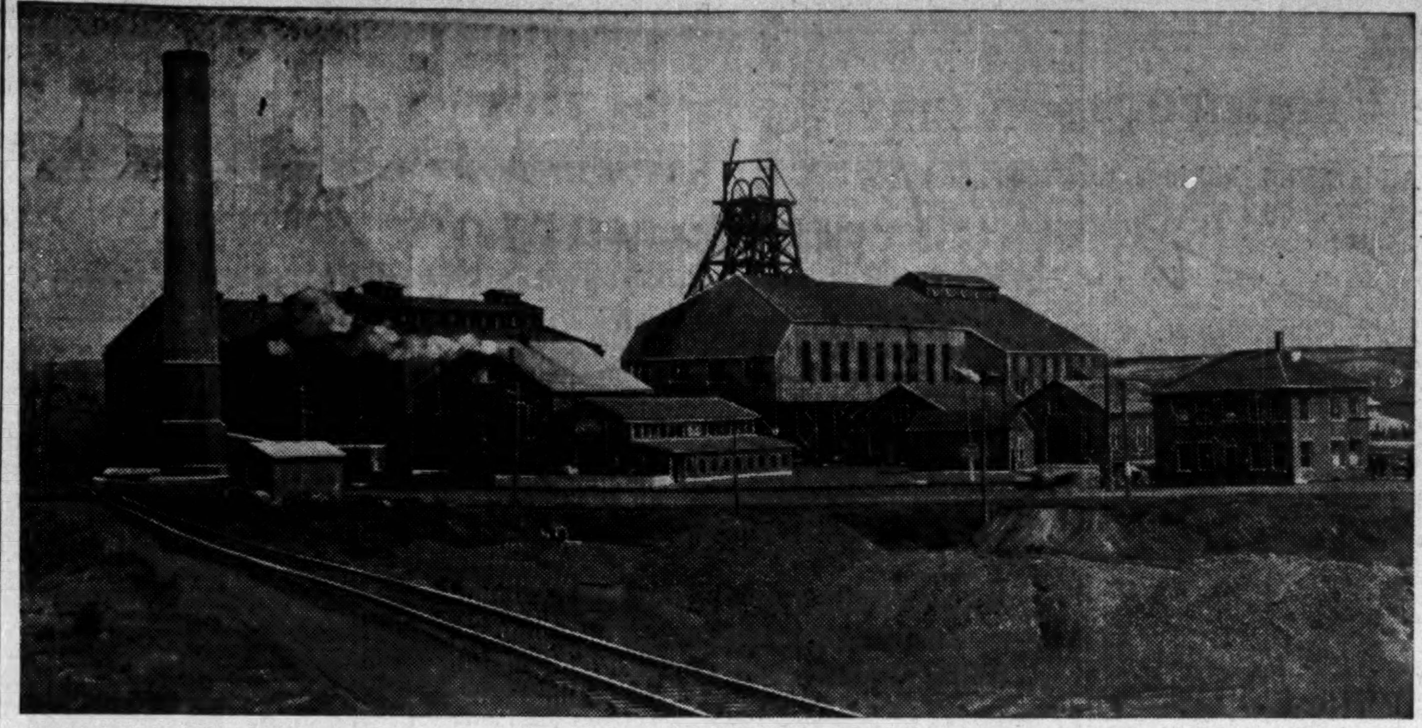
Last year the Lake Thomas Gold Syndicate began work at Waverley. The mine is fully equipped and is operated by electric power. A ten-stamp mill has been working continuously since the latter part of May, 1935, and good results are reported to have been obtained. It is understood increased development is about to be undertaken and 10 additional stamps will be added to the mill.

Three operations are under way in the Mt. Uniacke gold district. The property of F. J. Hogan is the most advanced and development work this year is said to have shown up extensive ore zones on parallel veins. The Queen's Mines Ltd. have started mining operations and completed erection of a mill to crush their ore. The third company, Mines Development Corp., has recently taken over adjoining properties in the district.

The Lacey Gold Mining Co. at Gold River has completed its third year of work and valuable ore bodies have been developed. The mine has been fully equipped, and a 25-ton treatment plant of the ball mill type has been erected in co-operation with the government to make large-scale tests. Work is also being carried out in the northern part of the Gold River district by the Gold River Mining Syndicate. Nugold Mining Corp. is carrying on underground work at Blockhouse, Lunenburg County, and at present is engaged in sinking a shaft to the 200-ft. level. At Leipsigate in the same county, Maguma Belt Mines Ltd., is preparing for work.

Other Busy Districts

The Richland Gold Mines Ltd., has recommenced operations and completed dewatering its mine at Molega in Queen's County. At Oldham, the Avon Gold Mines Ltd. is carrying on operations at the 450-ft. shaft. The Higgens and Lawlor development at Moose River has been working steadily for the past three years. Results are believed to have been profitable. In addition to the mines mentioned, work is also going on in the other districts such as Forest Hill, Renfrew and South Uniacke.



BLACK DIAMONDS

Coal mining is one of the major industries in Nova Scotia, and in New Brunswick has been developed to a smaller extent. The Nova Scotia mines, however, directly affect the economic life of six of that province's 18 counties, and indirectly exert a material influence on the Maritimes as a whole. With net annual production estimated at more than $26 millions, the industry makes a substantial contribution to the country's income.

Depicted above is the surface plant at the Allan shaft of the Acadia Coal Company's development at Stellarton.

Nova Scotia Production Placed at $159 Millions

Nova Scotian production in 1935, as estimated by the Halifax Board of Trade, shows an increase of more than $2 millions over the previous year's total. Comparative figures are slightly more than $159 millions in 1935 and just under $157 millions in 1934.

Major gain was recorded in output of farm products and livestock, which were up almost $3.2 millions. Despite unfavorable conditions in foreign markets, the fisheries were some 12 per cent more profitable, and mining also improved slightly. Manufacturing and forestry operations, however, were on substantially lower scale.

Although there was a small increase in the number employed in industry, salaries and wages paid dropped $1 million. Cost of raw materials, on the other hand, registered a fair increase. The following table gives a three-year picture of production in the province:

Products of Nova Scotia

	1935	1934	1933
Fisheries	$ 8,989,020	$ 8,000,000	$ 7,000,000
Minerals and mineral production	44,112,000	44,000,000	42,700,000
Manufactures, etc.	57,900,000	59,500,000	57,000,000
Building materials	1,090,000	1,110,000	1,430,000
Farm products and livestock	27,335,000	24,158,000	23,000,000
Forest products	8,900,000	9,500,000	8,900,000
Game, fish, etc.	700,000	700,000	700,000
Tourist travel	10,000,000	10,000,000	9,500,000

Analysis of Industry

	1935	1934	1933
Number of industries	1,504	1,509	1,493
Capital invested	165,895,000	166,930,000	161,430,000
Salaries paid	4,739,000	4,866,000	4,701,000
Number of employees	21,000	20,508	19,987
Wages paid	12,740,000	13,649,000	13,411,000
Cost of materials	74,000,000	72,212,000	70,590,000

Advisory Council Gets Under Way

Nova Scotia's Brain Trust Expected to Meet in July

Nova Scotia's brain trust has been organized and will probably hold its first business session next month.

Acting upon a recommendation of the Jones Commission which investigated the economic ills of Nova Scotia more than a year ago, an economic council, composed of representatives of mining, lumbering, fishing, agricultural, manufacturing and education, was appointed late last year. Actual working of the council has been held up pending appointment of a secretary, which is regarded as a key position on the board.

Purpose of the body is to advise the government on matters relating to development of industry and trade, and suggest possible avenues of expansion.

Urge Farmers To End Import Of Foodstuffs

Voluntary Producers' Associations Formed in Maritimes

Many Maritimers consider that the present output of foodstuffs and field crops in the three eastern provinces could be substantially increased, obviating the necessity of importing such a large quantity of produce from elsewhere in the Dominion. It has been estimated that the Maritimes annually import some $28 millions of foodstuffs, chiefly flour, feed, meat, butter and poultry. It is admitted conditions for wheat growing are not favorable, but it is felt that a considerable proportion of other products could be raised.

Imports of Foodstuffs

Nova Scotia may be considered as typical. She imports $3 to $4 millions of flour every year, which even the most optimistic feel cannot be grown in competition with western Canada. However, of the $2 millions of livestock feed which is brought in, it is believed that half could be grown in the province. Some $4 millions of meat is purchased from other provinces. Of this total about a quarter represents beef which other parts of the Dominion can produce more efficiently, but much of the remainder is capable of profitable home raising. Another $1 million is paid for butter, 100 carloads of eggs and 50 carloads of dressed poultry shipped in, all of which authorities believe could be produced within the province.

Group Production Marketing

In an attempt to encourage home agriculture along these lines, the government department is attempting to correlate production with marketing—group production marketing, they call it. Under this programme, local production associations are formed each with its manager. These managers can then convene and adopt measures to regulate the industry. Through these groups, the government hopes for closer co-ordination. It is realized that thousands of growers cannot be dealt with individually. But managers of producers' association can and will be consulted. They will form a kind of general staff by which definite policies for the industry will be considered and adopted.

These associations, which are purely voluntary, have already made considerable progress. The measure of success which meets their efforts, however, seems dependent largely on the number of growers who can be persuaded to join. In reality the organizations are similar to a group of pools, one for each industry, with objectives centred about improved marketing, packing, transportation and methods of distributing market information.

Strawberry Plan

As an example of what is intended, the association in connection with the strawberry industry may be cited. Briefly, the province annually produces 20 to 30 carloads more than can be consumed in the local market. These berries are usually late, coming on the market after those in other parts of the Dominion have largely been taken up. The producers' association hopes, by general accord among growers to improve transportation facilities, and to develop marketing facilities to such an extent that the crop may be disposed of in the other provinces.

Apart from purely direct trade between producer and consumer within the province, the estimated proportion of total output produced by members of associations is as follows: Livestock, 60 per cent; eggs, 40; dressed poultry, 30; strawberries, 65; potatoes, 60; cranberries, 80; apples, 70; butter—all creamery butter produced in their province—70; hogs, 60; and lambs, 80.

Fur Farming Big Business For Islanders

Capital Investment in Maritimes Well Above $4 Millions

GET FINE PELTS

Although the fur farming industry is of material importance throughout the three Maritime Provinces, it bulks particularly large in Prince Edward Island.

Long famed for her fur pelts, especially the popular silver fox, the island values the animals on fur farms at $1,169,000, a total exceeded only by the much more densely populated areas of Ontario and Quebec. Land and equipment is worth a further $900,000. In 1935, estimated gross revenue from this source was $693,000, considerably lower than the total for the previous year at $762,000, but still well above the 1933 figure of $623,000.

Decline in Prices

Most of the decrease in revenue may be attributed to lower prices, large sales houses have reported markets usually firm with occasional advances on various grades this year, but on the whole a comparison with figures for 1934 reveals a substantially lower level. Competition is being felt from increased home and foreign production, notably in Norway. The ebb in price of silver fox furs, the leading branch of the industry in the province, came in the spring of 1932, after which there was a gradual strengthening of markets until a high for recent years was established at the London January sales of 1934. The movement since then, however, has been downward.

While some very fine skins are being produced in western Canada, Ontario and other provinces, Prince Edward Island still holds a prominent place in the field and her furs command a price on the London market at least equal to that of any other province or country.

Headquarters of Industry

The province, which is generally regarded as the cradle of the industry, began fur farming about 1878. Summerside is the headquarters of the Canadian National Silver Fox Breeders' Association. Up to January in the 1935-36 season the Co-operative Fur Marketing department had taken into stock consignments totalling 45,000 silver fox skins.

According to latest statistics, New Brunswick has $1,504,755 invested in the industry, of which $941,746 is in stock, the remainder representing land and equipment. Nova Scotia produces on a relatively smaller scale, with $685,837 in the industry, almost two-thirds of which is in stock.

Island Province Leads In Number Homes Owned

Prince Edward Island leads the Dominion in its percentage of owned homes. In both rural and urban sections it heads the entire list, with 93 and 56 per cent respectively. Nova Scotia is second in the rural classification with 86 per cent, and New Brunswick fourth with 82 per cent. In the urban grouping, the larger Maritime Provinces do not rank as high, Nova Scotia, with a percentage of 48, standing in seventh place, and New Brunswick, with 39 per cent, in eighth position.

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MICHAEL DWYER
Minister of Mines
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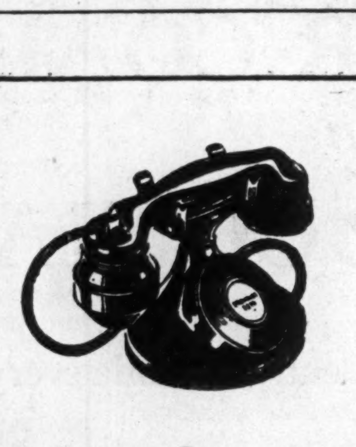

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Manufacturing Plants Big Income Producers

Pulp and Paper Industry Adds $17.6 Millions to Maritime Production — Saint John Largest Industrial Centre

Farming, which in pre-depression years occupied first place as a producer of Maritime income, has given way to manufacturing.

Although figures for 1935 manufacturing production are not yet available, it is probable they will show little change from the previous year's total when gross value was placed at $118.2 millions, an 18 per cent advance from 1933.

From the viewpoint of output value, the pulp and paper industry is by far the largest in the Maritimes, with production placed at $17,662,380 in 1934, the last year for which complete figures are available. This represents a gain of $3.1 millions over the preceding year, and in view of the larger pulpwood cut in 1935, it seems likely the total will have been still further increased last year.

Fish Curing Second

In 1934 fish curing and packing displaced central electric stations as the second largest income producer in the manufacturing bracket. Power generation had occupied second place in the two previous years. Output of both these branches is slightly less than half that of the pulp and paper plants.

The iron and steel industry, with which must be coupled the coal mining industry, is of vital importance to 6 of the 18 counties of Nova Scotia, and indirectly influences economic conditions in every part of the Maritimes.

Despite the fact that it stands in fifth position in value of production, sawmill operations are by far the largest individual employers of labor. Some 3,749 men were employed in 1934, more than 50 per cent more than in the leading pulp and paper classification.

Saint John Industrial Centre

Saint John is the largest industrial centre in the Maritimes with production valued at almost $17.2 millions. Sydney is next in line with $10.1 millions and Halifax third with $9.7 millions. Other cities are well below these output values.

Relative ranking of the leading industries and of largest industrial centres is given in the following tables:

Manufacturing in the Maritimes

Industries:	Establishments No.	Capital Invested $	Employees No.	Salaries and Wages $	Gross Value of Products $
Pulp and paper	11	53,679,921	2,804	3,160,032	17,662,380
Fish curing and packing	432	5,186,110	2,642	1,225,843	8,278,823
Central electric stations	128	63,473,873	1,262	1,404,986	8,256,083
Primary iron and steel	6	18,973,518	1,297	1,609,354	6,701,638
Sawmills	891	8,824,770	3,749	1,373,291	6,403,200
Butter and cheese	89	2,329,039	571	503,571	3,925,844
Coffee, tea and spices	10	2,563,999	387	397,536	3,436,413
Biscuits, confect'n., cocoa & chocolate	15	3,844,715	1,184	870,068	3,292,439
Printing and publishing	60	3,924,086	1,101	1,330,056	2,786,905
Railway rolling stock	4	7,384,235	1,176	1,188,636	2,487,267
Bread and other bakery	168	1,602,555	777	542,848	2,449,995
Coke and gas products	4	9,294,237	300	318,555	2,388,440
Hosiery and knitted goods	4	2,919,899	899	614,434	2,367,654
Castings and forgings	28	4,852,676	934	972,826	2,258,809
Wire and wire goods	3	1,053,295	293	336,209	2,152,704
Other leading industries*	9	22,341,032	2,454	2,402,156	20,528,851
Total, leading industries	1,862	212,247,960	21,830	18,250,401	95,378,445
Total, all industries	2,506	246,058,149	29,656	24,369,166	118,205,014

*Includes: Sugar refineries, petroleum products and cotton yarn and cloth.

Cities and Towns:	Establishments No.	Capital Invested $	Employees No.	Salaries and Wages $	Gross Value of Products $
Saint John	140	21,922,203	3,046	3,083,320	17,176,433
Sydney	28	22,869,820	1,574	2,025,377	10,123,057
Halifax	108	13,076,591	2,861	2,948,198	9,698,038
Moncton	48	6,478,754	2,002	1,822,219	5,232,298
Dartmouth	13	5,046,215	399	422,570	4,880,404
Liverpool	7	11,340,664	554	801,698	3,852,222
Truro	26	3,271,120	961	658,184	2,792,394
Edmundston	10	11,969,996	489	348,461	2,640,190
St. Stephen	15	2,323,315	591	445,669	1,840,632
Milltown	3	2,920,475	673	487,974	1,553,817
Yarmouth	29	2,549,084	471	342,638	1,550,331
Bathurst	11	6,760,838	427	411,571	1,485,021
Charlottetown	39	1,324,428	392	311,630	1,322,500
Amherst	27	3,320,945	500	380,301	1,220,914
New Glasgow	26	3,030,786	565	442,355	1,162,052
Fredericton	27	1,285,508	403	311,941	1,095,271
Windsor	14	858,139	290	163,877	1,028,697
Trenton	3	6,950,939	329	282,904	877,195
Sackville	11	1,506,185	307	329,777	784,033
Sussex	12	446,851	151	102,035	674,954

Note:—Statistics for cities and towns do not include central electric stations.

Companies in Review

Admiral Beatty

Increased tourist traffic, together with the general business expansion which has taken place in New Brunswick during the past two years, had a favorable effect upon operations and earnings of the Admiral Beatty Hotel, in Saint John.

Last year total income was $101,610 and gross profit about $50,000. After providing for taxes, insurance, bond interest and other prior charges, there was a small balance available for depreciation reserve.

There is a public investment interest in this enterprise. Originally the company issued $600,000 of 7 per cent first mortgage bonds due 1944. The early part of 1934 the bondholders committee made an arrangement whereby the maximum rate of interest of 3 per cent was to be paid on the bonds. All surplus earnings are applied to sinking fund and when the present bond issue is reduced to $300,000, interest will become payable out of earnings at the rate of 6 per cent, with all surplus incomes to be used to retire the balance of the issue.

Acadia Sugar

While operations of all the sugar refining companies are understood to have been on a somewhat smaller basis during the past year, Acadia Sugar Refining Co., of Halifax, was able to report net earnings as being well maintained in 1935.

Over the last three or four years the company has been quietly strengthening its position.

The balance sheet reflects a number of changes brought about, in part, by new financing. The general mortgage bonds were called for redemption on July 1 last, while the first mortgage bonds were called for redemption at the beginning of this year. Of these bonds there were outstanding at the time of the last report, December 28, $765,995. The bonds have been replaced with a new issue of 4½ per cent first mortgage bonds amounting to $1.5 million.

Atlantic Sugar

Atlantic Sugar Refineries current operations at Saint John, N.B., have been steadily maintained, judged by the financial statement issued for 1935. This is the first report issued by the company in several years and indicates a total income of over $1 million for the year. After setting aside reserve for depreciation, interest charges and preferred dividend, there was a balance equivalent of $20.30 a share on the no par value common stock.

A strong financial position is indicated by the balance sheet, which shows a net working capital of approximately $2 millions. The fixed assets of the company are carried at a depreciated value of less than $3.5 millions.

For many years there was an active investment interest in this enterprise but the early part of 1932 a reorganization was carried out under which control of the company passed into new hands. This reorganization resulted in a reduction of the company's funded debt to a point permitting a resumption of dividends, after a lapse of nearly 13 years

Since the change of control, little or no information has been made public in respect to company's operations.

Acadia Trust

Acadia Trust Co., of Truro, N.S., is experiencing much the same volume of business as a year ago. At the same time the management is confronted with a problem common to the other trust companies in the Maritimes, namely, finding a profitable field for investment of funds.

Income of the company in 1935 amounted to $84,610, which is slightly above that of the previous year, but expenses also were higher. On balance their profit declined from $57,043 in 1934 to $54,781 in 1935. Profit and loss account balance rose from $49,482 to $84,263 as a result of the year's operations.

The balance sheet reflected an increase in all departments of the company's business. Reserves and sales now amount to about three and a half times capital.

Bathurst

Control of the Bathurst Power and Paper Co. has passed from the Newsprint Bond and Share Corp. to Nesbitt, Thomson and Co. and associates. Following this deal a new board of directors and officers were elected.

Plans have been made by the new interests whereby Bathurst will recondition an idle cylinder machine for the manufacture of folding box board. It is expected this machine will be brought into operation during the latter part of the year.

When development work is complete, the ultimate capacity of the company's mill as presently planned will be as follows: 70 tons daily of newsprint; 170 tons daily of kraft liner board and corrugating material; and 100 tons daily of folding box board, patent coated board and box board cylinder type.

Since conversion of one of the company's two newsprint machines for the manufacture of kraft liner in 1931, earnings of the company have shown a steady increase. An operating deficit of $49,930 in 1933 was converted into profit of $36,626 in 1934. Last year the company showed an operating profit of $225,249. In addition, income from investments totalled $102,728. After providing for depreciation and income tax reserve, net income totalled $94,533, or equivalent to about 23 cents a share on the outstanding 400,000 shares of Class A stock.

While there have been no indications of a dividend payment on the A stock, it is reported the directors might give consideration to this matter later on in the year if earnings continue to increase.

Canada Electric

Canada Electrc Co.'s operations are carried on at Maccan, N.S., and energy is distributed to Amherst, Sackville, Springhill and intervening points. The company does not issue a financial statement. There is no public interest in its securities, ownership being vested with the Central Station Power and Light Corp., which acquired the company from the Maritime Coal, Railway and Power Co. in 1930.

Since that date substantial extensions to the plant have been made, involving an outlay of over $500,000.

Output of the company ranges around 14 million kw.h. a year, of which nearly one half is distributed at Springhill.

Connors Bros.

Connors Bros. Ltd., operators of one of the world's largest sardine fish canning plants at Black's Harbor, N.B., reports the largest catch in history this year, with the entire output already sold.

This company not only supplies the major proportion of the domestic market for sardines, kippered herrings and snacks, clams, finnan haddie, etc., but also engages in a worldwide export trade, which accounts for an annual production of over 35 million tins.

In connection with the increased output for this year, the increasing marketing was particularly noticeable in exports to practically all countries, with South Africa, Australia and New Zealand showing marked improvements.

At present the company has invested in plant and subsidiary industries around $1.5 million. Direct employment is provided for about 600 persons, while indirectly some 1,500 fishermen are dependent upon the company for the sale of their catch.

Last year the company carried out extensive additions to its factory equipment. The oil plant capacity was more than doubled by the installation of a modern British manufactured engine. A complete unit for manufacturing fish meal was installed at the Freeport, N.S. haddie factory, increasing employment and disposing of a large amount of offal. Two modern motor boats were also added to the company's fleet.

National Thrift Corp.

National Thrift Corp., of Halifax, has recorded a marked expansion in business over the past year.

Business of the company is divided into two sections: Issuing of investment certificates which are purchased on the installment plan; and a personal loan department.

Operations of the company from inception in May, 1934, to the end of last April, resulted in a net profit in the general and loan department of $12,770, and a net loss in the investment certificate department of $6,056. The deficit on investment certificate business was anticipated.

The balance sheet, as at April 30, 1936, is not strictly comparable with that of the previous year, as accounts have now been apportioned between the two departments whereas they were shown together in 1935. Total assets in the general and loan department, however, are now $195,623 and in the investment certificate department $21,915, a total of $217,538, as compared with only $89,820 in the preceding year.

Much of the increase may be traced to an advance in loan contracts from $19,533 to $100,538, and to a new $59,604 item representing shares in National Thrift Corporation (New Brunswick), Ltd., a subsidiary company which began operations in Saint John last October. A second subsidiary company, Eastern Finance Ltd., was absorbed by the parent company during the year.

Major offsetting changes in liabilities have been an increase of $8,500 in bank loan, $28,650 owing to subsidiary company, and an increase in capital from $66,876 to $130,515. Current surplus is carried at $4,206, and a general reserve of $3,290 has been set up.

Reserve for contingencies and cash surrender values of investment contract is now more than $16,000.

Three dividends were paid in the last fiscal year, totalling $8,795, and a further dividend of $3,500 has since been distributed.

Dosco

Dominion Steel and Coal Corp., the largest industrial enterprise in the Maritime Provinces, reports current operations and employment at a higher level than for many years.

Dosco's steel plant at Sydney operated at 74.5 per cent of capacity in 1935, as compared with 65.1 per cent in 1934. Based on indications to date, anticipated operations in 1936 will not be less than in 1935.

The increased production last year was due partly to domestic and partly to export business. Export sales amounted to 48 per cent of the total. Over 73,600 tons were shipped to England.

The gross return on this type of business does not show the company any appreciable profit owing to continental and other competition. However, according to Sir Newton Moore, president, every effort is being made to maintain this export business until domestic trade returns to normal and the railway companies increase their requirements. In this way the plant may be operated at a relatively high ratio and employment provided for a maximum number of workers.

Increased steel operations at Sydney resulted in larger consumption of coal. This condition was particularly noticeable during 1935 as reduced sales of coal in other markets reduced the production at the mine. Consumption at the steel plant of 603,249 tons represented an increase, of 100,499 tons over 1934.

Last year the iron ore mines at Wabana produced 662,441 tons of ore, compared with 506,616 tons in 1934.

Owing to the exchange situation,

(Continued on page 24)

New Brunswick Fishery Catch Shows Highest Since 1930

Although final figures on the New Brunswick fisheries for 1935 are not yet available, the Dominion Bureau of Statistics estimates that marketed value of production from this source was $4,190,000. This is a substantial advance from the previous year, when value was placed at $3,679,588, and brings the total to the highest point since 1930

The value of the fisheries to the province is of considerably greater importance than bare figures would indicate. Although a secondary industry in point of capital invested, value of catch and employment, it provides the principal, in some cases the only source of income in many communities along the Bay of Fundy and the shores of the Gulf of St. Lawrence.

Capital investment of the fishing industry in New Brunswick is placed at $5.4 millions, comprising $3.4 millions in vessels, boats and gear employed in the primary operations, and $2.1 millions in fish canning and curing establishments. The total number employed is considerably more than 15,000, of which 13,000 are engaged in actual fishing and the others with canning firms.

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N. S. Hydro Is Operating At Capacity

Claim Energy Demand Greater Than Water Supply

REVENUE UP

The Nova Scotia Power Commission in 1935 negotiated contracts with 3 additional bulk customers who use power directly in their operations. These include the Best Yeast, Ltd., at Brooklyn, which has established a new industry to utilize an otherwise waste product of the newsprint mill, the Consolidated Mining and Smelting Co., for its development work in the Caribou gold mining district, and the Department of Highways was serviced with power for a crusher plant at East River, Sheet Harbor.

Power delivered during the 14 months ended last November was 238.3 millions of kilowatt hours. The comparative figure for the year ended Sept. 30 was somewhat lower than in the previous year. The lessened energy delivery was mainly instrumental in increasing the average cost of power delivered from 0.537 cents in 1934 to 0.552 cents. Had deliveries been at the same level, a small reduction in cost would have been effected.

Eight Systems Operated

The commission operates eight systems, all but one of which are located on the Atlantic slope. The extreme ends of the lines comprise the whole length of the mainland with the exception of 16 miles—more than 400 miles in all. No developments or lines are maintained in Cape Breton, but the entire mainland, apart from the counties of Digby, Annapolis, Kings and Cumberland, is served.

Each of the eight systems, except the Antigonish system which purchases from the Pictou County Power Board, produces its own power and energy. The Mush-a-Mush system generating, however, is reinforced from the Markland system by interconnecting network.

Capacity Varies

Capacity of generation is variable with water supply, and the commission states that total energy demand is in excess of the water supply available. This can only be rectified by additional development of head, storage, or both.

Total revenues received by the Commission in the 14 months ended Nov. 30 was $1,323,846, and after expenses, the net figure amounted to $1,038,615. This compares with net income of $905,045 in the 12 month period ended Sept. 30, 1934. Loans from the province are carried in the balance sheet at $13,958,115, while total assets advanced almost $300,000 during the year to $15,877,006.

Relief Small In Maritimes

Lowest Per Capita Receipts from Dominion

The Maritimes are in a healthier condition, in respect to relief, than any other province in the Dominion. That does not mean that relief is not a serious problem in the three eastern provinces; it most certainly is. But the federal government has been called upon to pay less, in both total and per capita figures, to Prince Edward Island, New Brunswick and Nova Scotia than to any other province.

Figures showing relief disbursements to the various provinces are as follows:

Federal Relief Payments

Total up to Jan. 31, 1935

	Amount $	Per capita $
Prince Ed. Island	368,590	4.18
Nova Scotia	4,133,013	8.05
New Brunswick	2,297,292	5.62
Quebec	26,059,170	9.07
Ontario	45,470,072	13.25
Manitoba	10,628,395	15.18
Saskatchewan	20,493,523	22.23
Alberta	8,235,891	11.25
British Columbia	14,008,828	20.17
Total	131,694,774	12.69

For Year Ended March 31, 1935

	Amount $	Per capita $
Prince Ed. Island	222,020	2.52
Nova Scotia	801,953	1.55
New Brunswick	442,191	1.08
Quebec	11,398,532	3.96
Ontario	15,560,702	4.53
Manitoba	2,211,822	3.16
Saskatchewan	8,011,157	8.69
Alberta	1,703,294	2.33
British Columbia	3,176,156	4.57

Investment Service in the Maritimes

This Corporation has been established in the Maritime Provinces for more than thirty years.

The local offices are part of a Dominion-wide organization dealing in Canadian Government, Municipal, Public Utility and Industrial issues in all markets.

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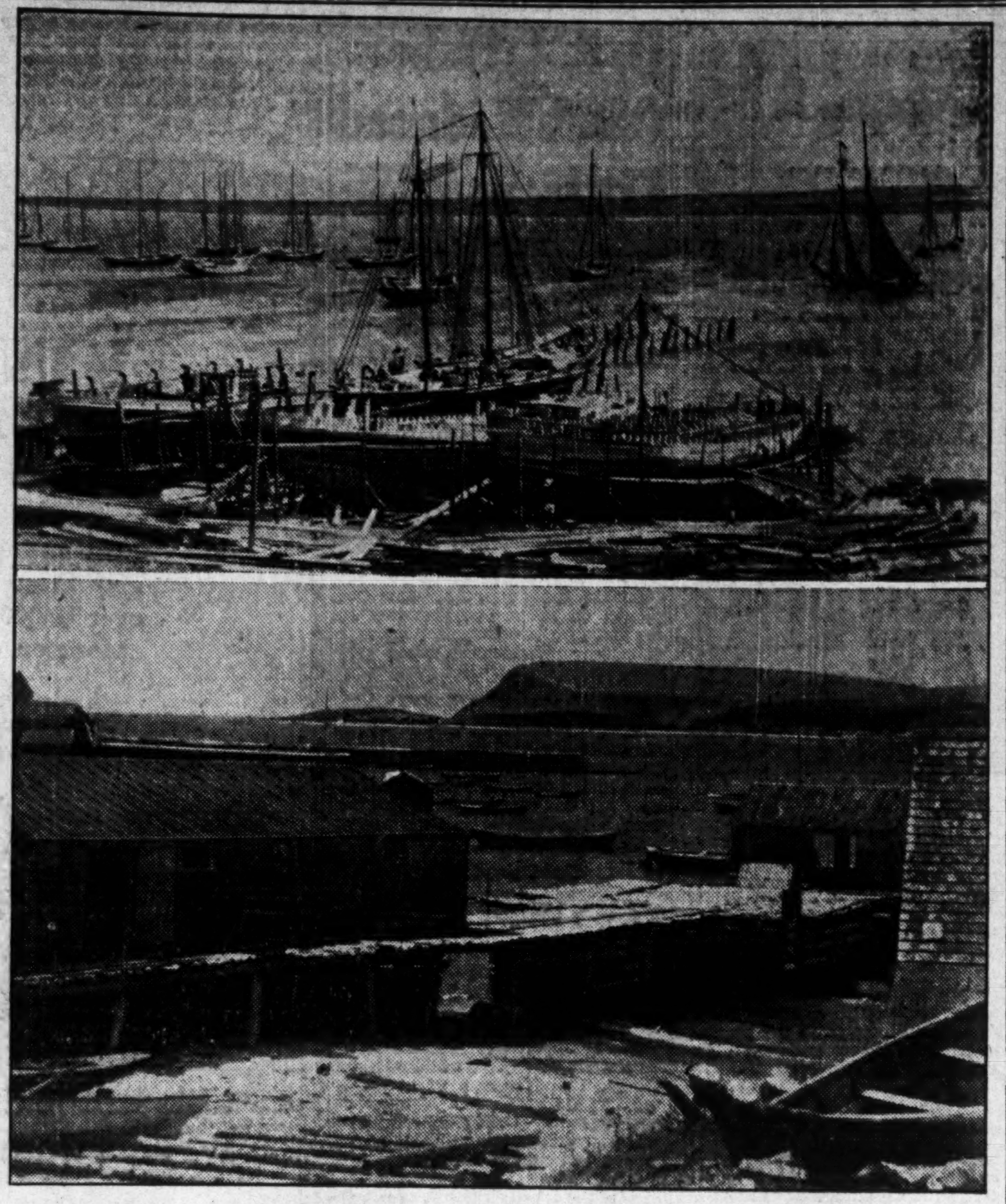

A LIVING FROM THE SEA

One of the basic industries of all three Maritime provinces is fishing.

A secondary industry from the point of view of value of output, the fisheries are a major source of employment, and in numerous villages along the coast are the sole means of livelihood.

In the top picture, part of the famed Lunenburg fishing fleet is shown at anchor off the shore of the town which has become internationally known for the calibre of its seamen and the quality of its fish.

The lower photo is of another Nova Scotian fishing village, Ingonish, showing some of the smaller boats and also giving a view of fish drying on the docks.

N. S. Prominent In Co-operatives

Estimate 15,000 Enrolled in Various Joint Enterprises

Probably in no other part of Canada has the co-operative movement developed to the extent it has in Nova Scotia.

Undertaken chiefly by St. Francis Xavier University, the movement now includes some 15,000 Nova Scotians, coal miners, farmers and fishermen, in study groups. The whole idea is based on adult aducation.

In the eastern part of the province there are 25 stores and an indefinite number of buyers' clubs owned and operated by the people. It is also reported that the wholesale movement is spreading along similar lines.

In order to provide cheap credit, about 50 credit unions have been established and sponsors of the scheme feel that the entire province will be "Credited-unionized" within a few years.

Fishermen own and operate 35 lobster canning factories, 11 per cent of lobster canning being done cooperatively.

The co-operative idea extends to many lines of endeavor. In one small community, the people own and operate a sawmill, a barrel stave plant, a lobster canning factory, a fish processing plant, a store, a credit union and a handicraft establishment.

Sea Fish Catch Sharply Higher

Catch of sea fish in the Atlantic provinces was up 136,000 cwt. in the first quarter of 1936.

In the first three months of this year, landings in the eastern fishing provinces of Canada weighed 449,990 cwt. and were valued at $1,086,330. These figures compare with 313,790 cwt. and $695,700 in the corresponding period of 1935.

Varied Mineral Wealth Found in Nova Scotia

Diversity is the outstanding characteristic of Nova Scotia mining. In addition to its famed coal mines and the gold properties, which are reviewed in another article, mining is carried on in a number of ferrous and non-ferrous minerals. Development of these resources has been on a relatively small scale, however, and the workings can be substantially enlarged when the time is opportune.

Gypsum Coming Back

For many years gypsum has held an important place in the Nova Scotia mining picture. Due to depressed conditions in the building industry generally, the demand for gypsum in recent years has not been normal, although production has shown a marked increase in the past two years. It is generally conceded that Nova Scotia gypsum is of a superior grade, and the demand for it in good times is very heavy. With return in some measure at least of construction activity, indications point to a betterment in the industry this year.

The largest operator in the gypsum industry is located at Windsor, where two main quarries are being mined. Other operations are carried on at Cheticamp, Mabou, Baddeck and Cheverie. Relatively little of the output is used in Nova Scotia, most being shipped in a crude form to Montreal and points in United States.

Rock Salt Mine

The only rock salt mine in the Dominion is operated by the Malagash Salt Co. at the settlement which bears the same name, near New Glasgow. This deposit was discovered some 20 years ago while drilling for water, and in recent years has been developed on a commercial scale. Several grades of rock salt are produced and crushed in a form suitable for the various markets. The fishing industry takes up a substantial portion of the total output.

The company has been gradually developing its property. Principal markets are in the Maritime provinces, Newfoundland, Quebec, Ontario and Manitoba. Considerable experimental work with the use of salt in sub-grades of permanent highways has been carried out.

Last October the British Metals Corp. of Canada recommenced operations at its base metal property in Stirling, Richmond County. The mine is to be de-watered and the mill placed in operation.

Other Minerals Hold Own

During 1935 the ceramic industry, which produces large quantities of building bricks and tiles and vitrified sewer pipe, held its own as compared with the previous year. Building stones, chiefly sandstone and granite, showed slight increases. The granite, which has been used to a limited extent for structural work in paving purposes, has a fine grain, is hard and takes a fine polish for ornamental and monumental purposes. No work was done during the year on large resources of building slate which await development.

Comparative figures on the volume of output of the various minerals are shown in the following table. It should be noted that although iron ore is shown, this mineral is imported from Wabana in Newfoundland.

Mineral Production of Nova Scotia

Fiscal Year Ended Sept. 30, 1933 and Calendar Years 1934 and 1935

		1935	1934	1933
Ammonium sulphate	short tons	6,211	4,028	2,110
Arsenical concentrates	short tons	....	....	....
Bricks, common	No. of 8 in.	3,785,619	5,003,005	2,142,711
Bricks, fire	No. of 12 in.	6,500	5,000	10,000
Bricks, silica	No. of 9 in.	1,968,013	2,604,251	453,287
Coal	long tons	7,186,436	6,340,790	3,663,671
Coal, used by coke ovens	short tons	502,213	376,190	196,091
Coke, produced	short tons	298,638	223,638	114,210
Coke, petroleum	short tons	523	354	291
Copper, concentrates	short tons	....	....	....
Crushed stone	short tons	193,706	14,697	11,673
Diatomaceous earth	short tons	630	1,398	1,870
Dolomite	short tons	17,084	8,923	4,088
Fertilizer from basic slag	short tons	....	....	....
Flue-linings, square	short tons	....	....	....
Fire clay	short tons	1,545	1,338	709
Ganister	short tons	1,418	1,624	779
Gas from coal distillation	M. cu. ft.	3,406,209	2,418,323	1,671,210
Gold	ounces	9,051	4,782	1,335
Gold bearing ore	short tons	41,351	18,582	2,279
Granite, ornamental & bldg.	short tons	516	299	170
Grindstones	short tons	131	130	20
Gypsum, crude	short tons	475,857	392,681	306,331
Gypsum, calcined	short tons	7,140	....	5,250
Lead concentrates	short tons	124	....	....
Light oil	Imp. gals.	160,129	127,328	224,396
Limestone	short tons	9,321	16,062	15,283
Manganese	short tons	....	....	....
Motor fuel (ben gas)	Imp. gals.	110	120	135
Molding sand	short tons	....	35	....
Oil fuel, mnfd.	Imp. gals.	16,270,306	11,510,982	4,494,560
Oil illuminated, mnfd.	Imp. gals.	7,627,448	7,573,973	7,831,647
Oil, gasoline	Imp. gals.	[illegible]1,793,263	43,314,578	40,302,053
Oil, other, mnfd.	Imp. gals.	107,400	184,046	62,146
Pig iron	short tons	232,964	166,125	113,515
Salt	short tons	34,886	45,482	34,005
Sandstone	short tons	8,768	2,973	1,769
Sewer pipes	short tons	8,624	3,808	1,624
Silica	short tons	10,010	7,030	1,135
Silica cement	short tons	883	975	436
Silver	ounces	372	....	1
Steel ingots	short tons	333,840	291,810	123,964
Steel rails	short tons	51,274	46,278	52,303
Steel wire	short tons	38,573	32,946	11,849
Sulphuric acid, 50°	short tons	11,751	7,401	2,898
Tar	Imp. gals.	4,704,092	2,598,242	1,885,514
Tiles, drain	lineal ft.	728,685	....	106,346
Tiles, building	number of	2,558	1,750	11,988
Tiles, partition	number of	....	....	....
Zinc concentrates	short tons	81	....	....
Iron ore imported	short tons	664,681	358,108	nil

More Cape Breton Salmon Caught by Anglers in 1935

Salmon were suckers for fishermen in Cape Breton last year. Perhaps it would be better to say that water conditions in the salmon streams of the island made angling more successful than in the past. In any event, the number of salmon caught by sport fishermen in Cape Breton's rivers in the 1935 season was 832, more than twice as many as were taken in the previous year, and 150 more than in 1933. The catch on the Margaree, the principal salmon stream of the island and one of the most noted angling rivers in the Atlantic provinces, was 527 fish,

Diverse Production Steadies Agriculture

General Improvement in Conditions Last Year — Higher Prices Yield Farmer Greater Profit

Diversity of agricultural production in the Maritime Provinces has led to a much greater degree of stability than has been evident in other parts of the Dominion. Practically all output, with the exception of potatoes from Prince Edward Island and New Brunswick, apples from Nova Scotia and fur from all three provinces, finds a domestic market.

Eminently suited by soil and climate to production of varied products, this tendency has been encouraged by the small farming units. The average cultivated farm in the Maritimes is about 100 acres, but nearly all field crops produced in the three provinces give a higher yield per acre than the Dominion as a whole. Gross value of agricultural wealth is now estimated at $326 millions, of which Nova Scotia has $133 millions, New Brunswick $126 millions and Prince Edward Island $67 millions.

Improvement General

General improvement in the industry was effected in 1935. Gross revenue recorded increases in Nova Scotia and New Brunswick, although Prince Edward dropped somewhat. By provinces, comparative revenue figures for the last five years are as follows:

	P.E.I. $	N.S. $	N.B. $
1931	11,414,000	24,029,000	22,189,000
1932	10,162,000	19,932,000	21,202,000
1933	12,731,000	24,919,000	20,876,000
1934	12,979,000	26,525,000	24,611,000
1935	12,397,000	27,042,000	25,278,000

Despite reduced revenue, 1935 marked a definite upturn in agricultural conditions in the island province. The change manifested itself chiefly in improvement in farm management and practices and in distinct betterment in marketing conditions. As a result, as the government department puts it, "there is a greater measure of hope, cheer and encouragement abroad in the land than has existed for many years."

Production of field crops, the major product, was lower last year mainly because of a dry summer. This factor also was instrumental in keeping dairy products much lower than would otherwise have been the case. Livestock showed a substantial advance, in line with a trend toward a well directed mixed farming programme. The dry season also affected the growth of potatoes, and production was considerably under that of the previous year. Market value, however, underwent a decided improvement and producers realized a much larger revenue despite low output.

Nova Scotia Production

In Nova Scotia, with the exception of potatoes and apples, production of all crops was slightly higher than in 1934. And while about 20 per cent fewer potatoes were produced, these were sufficient for domestic needs with some left over for export. Improved quality and prices for apples increased the value of the crop very materially over the previous year. Indeed, during the latter months of 1935 there was a definite improvement in the price of most farm products.

Apart from field crops, the value of most of New Brunswick's major products improved during the year, with prices registering recovery. The potato crop was only about two-thirds of the 1934 total, but prices showed substantial rise at the year end and since.

The following table gives comparative figures of the chief production groups:

Gross Agricultural Revenue
(In thousands of dollars)

	1935	1934
Prince Edward Island		
Field crops	7,879	9,054
Farm animals	1,369	917
Dairy products	1,433	1,407
Fur farming	693	762
Poultry & eggs	825	669
New Brunswick		
Field crops	14,542	14,961
Farm animals	2,931	2,478
Dairy products	4,632	4,488
Fruit & vegetables	1,033	908
Poultry & eggs	1,291	1,139
Fur farming	695	764
Nova Scotia		
Field crops	11,748	12,995
Farm animals	2,257	1,924
Dairy products	5,918	5,827
Fruit & vegetables	5,535	4,259
Poultry & eggs	1,184	1,058
Fur farming	250	276

Development Varied

Taking the Maritimes as a whole, practically all field crops are for feed purposes. Most cereal grains are imported. While they form the staple crop, considerable development has taken place in other lines.

Livestock raising has been increasing. It is estimated that about half the livestock in the Atlantic provinces are utilized in the dairying industry which occupies a prominent place in all sections. Value of output in the dairy products division is high, Maritimers contending that it is of superior quality. All dairy products are for home consumption.

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Load Growth Is Reported By N.B. Hydro

Number of Customers Also Rises During 1935

EXPANSION PLANNED

More than 41 millions of kw.h. of energy was generated by the New Brunswick Hydro-Electric Power Commission in 1935, an increase of 100,000 kw.h. over the previous year. Generation was fairly equally divided between the Grand Lake and Musquash plants, with an additional 619,600 kw.h. purchased from the New Brunswick Power Company when low water conditions at Musquash in the late summer months placed full capacity load on the Grand Lake plant.

Of total generation, 35.5 millions were delivered to the various transformer stations for the use of the Commission's customers, and 188,700 sold to the New Brunswick Power Company during periods of repair to their equipment. Increased power requirements were due in part to the addition at the beginning of 1935 of the Northumberland County district.

More Power Users

Customers of the commission showed an increase of about 400 during the year, the number of direct customers showing a substantial rise against a lower number of indirect. Over the past ten years, the number of customers has more than doubled, the advance being particularly noticeable in the number of direct users of the commission's electrical energy.

Gross revenue in 1935 is shown at $925,000, as compared with $853,000 in 1934, but operating costs were also higher. The gross surplus for the year was $128,000, as against $109,000 in the previous year. After deductions for sinking fund and for maintenance and renewals reserve, there was a deficit for the year of $22,000, about $500 more than in the previous year.

The commission's operations include the hydro-electric plant at Musquash and the Grand Lake steam plant at Newcastle Creek, together with a high tension transmission line connecting Musquash with St. John and Moncton, and the Grand Lake plant with Fredicton, St. Marysville, and Moncton. In addition, a transmission line between the Nepisquit power plant and Newcastle is operated. In all, there is a total of 235 miles of high voltage transmission line, and 695 miles of distributing lines.

Plan Expansion

Due to the growth in the load in the territory served by the commission, the Grand Lake generating station is being increased in capacity by the addition of a boiler and a steam turbine generator, having an electrical capacity of 6,250 kw. It is expected this will be placed in operation early this summer.

The commission is also investigating the construction of several new rural distribution lines in various parts of the province, and it is probable that some additional mileage will be constructed during the present season. No additional transmission lines or stations are contemplated.

More Tourists

To June 1, there was an increase of about 500 tourist automobiles entering New Brunswick from the United States at St. Stephen, compared with the same period in 1935.

New Brunswick Gets Pensions

More than $400,000 is expected to be paid annually to New Brunswickers under the recently adopted old age pension scheme.

The first cheques to be sent out under the plan were forwarded early this month to old timers who have passed the allotted span of three score and ten years and who are in receipt of a yearly income of less than $125. Maximum payment will be $20 a month.

Old age pension plans of a similar nature are already in effect in the other Maritime Provinces.

VAST FOREST RESOURCES

The greater part of the Maritime Provinces is still in forest, and it may be expected that for many years to come lumbering and paper production will remain of outstanding importance. Pulp and paper leads all manufacturing industries in value of production, the output in 1934 being valued at more than $17.6 millions. Sawmills were the fifth largest source of manufacturing value in that year with $6.4 millions.

Particularly in New Brunswick are lumber operations important, that province depending on the industry to a considerable extent for general prosperity. The pulp mill shown in the accompanying photograph is that of the Bathurst Power and Paper Co. at Bathurst, N.B. The inset shows newsprint in the raw.

Growing Tourist Army Invades New Brunswick

Sharp Rise in Number of Visitors Indicative of Appreciation of Attractions

New Brunswick is looking forward to still further development of her tourist trade this summer. In recent years there has been a decided upward swing in the number of those who choose the Atlantic province for their vacation.

Actual figures of the number of visitors last year, are not strictly comparable with those of the previous year in view of a change in classification. Government officials, however, estimate that there was a 15 per cent increase. Enquiries during the year were up 200 per cent at 18,000. In all, some 50,000 cars entered the province in 1935 for holiday purposes, that is for a stay of more than two days. A fair estimate would seem to be three persons to a car, so that some 150,000 visitors motored to the province last summer. This figure, of course, does not include those arriving by boat.

Sightseeing and camping are the features which attract most outsiders to the province, but hunting makes its contribution from the middle of September until the end of November, and for the angler who is out for de luxe fishing, there is no better sport to be found. Salmon running from 20 to 25 pounds prove an exacting test to the most proficient fisherman.

New Brunswick's appellation, "The Unspoiled Province by the Sea," was no idle coinage of some phrase maker.

In the province the visitor will find a vacation land of almost 28,000 square miles inhabited by a native population of only 429,000 people, or roughly about fifteen to the square mile. To the tourist, this balance means a vacation land whose natural beauties have not been violated by dense population.

Here woodland streams tumble over cascades, dark green forests clothe the hillsides and mighty rivers flow toward the seas as they did before civilization grew up. That is not to say that New Brunswick is an unbroken hinterland—nothing of the sort. Conveniences there are and these aplenty—almost all that can be found in or near a large city, but these have served to develop rather than to destroy the wealth of scenic and game resources.

Early Exploration

As early as the opening of the sixteenth century hardy Basque, Breton and Norman fishermen had ventured into the Bay of Fundy and no doubt into Saint John harbor. Finding the Indians friendly and willing to barter their furs for the merest trinkets of the old world, the fishermen made further visits and during the sixteenth century the trade with the Indians grew to quite appreciable proportions. These early navigators, however, proved better traders than historians. They have left no written records and their verbal reports were, it seems, meant rather to amaze than to inform.

It is now upwards of three centuries since these hardy explorers sailed forth across uncharted seas to discover the land that one day became New Brunswick. But the summer visitor, eager to "discover" a vacation land that is different may still explore this snug little province by the sea to his heart's content.

Two days' travel eastward from Toronto will bring the tourist into New Brunswick and east of Quebec City a choice of routes is offered, one giving ingress by Edmundston and the second by Campbellton.

Within New Brunswick are many opportunities for side trips. The trunk highway system numbers 1,468 miles of improved roads and these are augmented by 11,823 miles of secondary highways. In many cases these latter offer the motorist as fine a driving surface as do the trunk roads and afford many diversions from the more frequented traffic arteries.

The St. John River valley itself a major tourist attraction embraces various points of scenic and historic interest. On the upper reaches of the river are the towns of Edmundston, St. Leonard, Grand Falls, Perth and Andover, Hartland and Woodstock. At Grand Falls the cataract for which the town is named has been harnessed to supply power for the largest hydro-electric power plant in the Maritime provinces but the natural beauty of the waterfall has not been violated to the least extent.

Eighty-four miles from the mouth of the River St. John stands Fredericton, capital city since 1785. Below the city the river widens out into a mighty flood a mile in breadth. The adjacent country is mostly flat meadow land although from the lower reaches of the river mountainous heights may be seen in the distance.

Highway No. 2, the trans-Canada route, which traverses the river valley for 267 miles from Edmundston to Saint John, barely loses sight of the mighty river once in that distance.

Reversing Current

One of nature's oddest irregularities, the famous Reversing Falls, may be seen from the highway bridge as one enters the Loyalist City. At low tide the water rushes through a 450-foot gorge and tumbles into the harbor over a 26-foot drop but at high tide the inrushing flood completely submerges the fall and forces itself upstream in a chaos of boiling eddies and whirlpools.

At the city of Moncton twice daily may be observed the "Bore" of the Petitcodiac River. Instead of causing a gradual rise in the river the tide rushes upstream in the form of a tidal wave, varying in height from 3 to 6 feet. This phenomenon is produced by the extraordinarily high tides which enter between the converging shores of the Bay of Fundy, at the head of which is the mouth of the Petitcodiac.

Seaside Resorts

Those who prefer a seaside vacation will find many choices along New Brunswick's 600 miles of coastline. Accommodations range from the famous Algonquin at St. Andrews to the quaint old village inns at St. Martins and other points east of Saint John on the shores of Fundy.

On the east coast are Shediac, Cape Tormentine, Point du Chene and many other beach cites. Prince Edward Island across Northumberland Strait acts as a giant breakwater and hence dangerous undertow, often such a menace to bathers elsewhere, is entirely absent on the New Brunswick east coast.

On the north coast the warm waters of the Bay of Chaleur (Bay of Heat) ripple along infinite stretches of sunlit sands. Average summer water temperature of 65 degrees led Jacques Cartier to bestow upon the bay the unique title it has borne down to the present day. Youghal Beach near the town of Bathurst is the principal developed resort in this section.

Sport Fishing

The southwestern section of the province is a true lakeland paradise. Opening from St. Stephen and McAdam Junction is a broken country of glacial formation which is literally dotted with bodies of fresh water both large and small—the Chiputneticook Chain, the Spednic Lakes, Oromocto Lake, South Oromocto Lake, McDougall Lake, Lake Utopia, West Long Lake, and others too numerous to mention. Almost all these bodies of water abound with land-locked salmon, lake trout, pickerel, togue and bass.

Mention of fishing in New Brunswick waters naturally brings to mind the Atlantic silver salmon. By many experienced anglers, fly casting for this species is regarded as the highest expression of the piscatorial sport. Visible evidence of New Brunswick's superiority as a salmon angling country is seen in the many widely known rivers which course through its wooded hills and fertile valleys—the Restigouche, long since made world famous through its selection by the millionaire Restigouche Salmon Club; and in addition the Miramichi, Nepisiguit, Tobique, Upsalquitch, Kedgwick, St. John and Cains. On any of these rivers the visitor will find ample opportunity to engage in the sport of salmon angling.

Although the Atlantic silver salmon is by far New Brunswick's best known game fish, this species by no means exhausts the angling possibilities: numerous streams which are tributary to the large rivers abound in both speckled and rainbow trout. Many of the large rivers, themselves, offer trout as well as salmon fishing. One of the largest trout taken from New Brunswick waters in recent years was caught on Cain's River by David F. Harris, a 15-year-old lad of Salisbury, Conn. The weight of the fish when caught was 6¼ pounds, it measured 24¾ inches in length and 14¾ inches in girth.

In various sections—notably the wooded areas of Charlotte, Queens and Sunbury and Westmorland Counties—bull moose are to be found. Still another retreat of this lordly game animal is in the vast unbroken forests which clothe the basin of the Northwest Miramichi.

Red Deer and black bear are also plentiful in the woodlands; and each autumn partridge and woodcock are abundant in the many occurrences of white birch woods and alder swale.

P. E. I. Fishery Catch Reduced Little in 1935

While Value Is Put at $899,000, More Workers Are Employed

GIVES 4,751 JOBS

Although taking a secondary position to agriculture, fisheries have for many years made a substantial contribution to the general welfare of Prince Edward Island. In recent years, value of the catch has averaged about $900,000, although prior to 1930 this figure was considerably in excess of $1 million, and on one occasion reached a total of $1,750,000.

In 1935, there were 3,365 men employed on vessels participating in the fisheries, a substantial increase from the previous year, when 2,973 were so employed. However, those working in fish canning and curing establishments were slightly lower at 1,386 As a result, the total employed in the fisheries in the province during 1935 was 4,751, as against 4,474 in the previous year. The figures are roughly one-third of the total wage-earners in the entire province.

1935 Catch Lower

The catch last year was valued at $899,000, a decrease from the preceding year of $64,000 or 7 per cent, although still substantially above the 1933 level. These figures represent the value of the fish as marketed, whether sold for immediate consumption, canned, cured, or otherwise prepared. Actual catch during the past year as estimated by the Dominion Bureau of Statistics was 208,918 cwt., with a point of landing value of $640,764, compared with a catch of 233,262 cwt. and a landed value of $695,114 in 1934.

Of chief importance to the province is the lobster fishery, which in 1935 was credited with an output valued at more than $600,000, some 67 per cent of the total value for the entire fisheries. The catch of lobster in 1935 amounted to 63,876 cwt., a decrease from the 1934 catch of 17 per cent and from the 1933 catch of 30 per cent.

Most Lobsters to Canneries

The greatest part of the catch is used by the lobster canneries of the province in the preparation of the canned product, but considerable quantities are purchased each year by fishing plants in Nova Scotia and New Brunswick, and such shipments are credited in the annual statistics to the provinces where marketed. Last year the shipments of Prince Edward Island lobsters to be marketed in the other two Maritime Provinces weighed 8,470 cwt., compared with 13,308 cwt. in 1934.

Next in importance to the lobster fishery are the cod and oyster fisheries. Both of these showed steady increases in marketed value of production over the past four years, and have also recorded increases in quantity caught up to and including 1934, although the catch last year of both cod and oyster was somewhat lower.

Increase in Boats

During the year, vessels, boats and gear used were higher in number than in previous year, although total value at slightly more than $900,000 showed relatively little advance. In addition to this capital investment, that in fish canning and curing establishments must also be considered. In 1935, this totalled $180,375, of which lobster canneries comprised $178,475, although the number of lobster canneries dropped from 94 to 89 during the year.

Gasoline and Diesel boats provide employment for the greater proportion of the fishermen, almost 88 per cent being engaged in this branch of the fisheries.

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Minto District Coal Output At New High

Reaches New Peak for Third Successive Year

RAILWAYS BIG BUYERS

For the third successive year, the amount of coal produced in the Minto-Chipman district of New Brunswick has exceeded that of any previous year.

In the 1935 fiscal year, production amounted to 301,685 tons, an increase of 11 per cent over the previous year, with a value of about $1,110,500 at shipping points.

Railways Big Market

Of the total quantity mined, 44.4 per cent went to the Canadian National and the Canadian Pacific Railways, and a further 6 per cent consisting of slag coal or screenings, to the electrical generating plant of the New Brunswick Power Commission at Grand Lake. As the power capacity of this plant has been more than doubled during the past year, a material increase in fuel supply is anticipated. The balance of production is absorbed by the various industries and heating plants, chiefly within the province. A small demand is apparent, however, both in Prince Edward Island and in the city of Montreal.

Seam Is Thin

The coal mining industry in New Brunswick is faced with the problem of having to continually prospect new territory so that operation may be continuous. This is made necessary because there is but one seam, and that a thin one, from which all the coal is derived. This seam has a thickness running from about 18 to 26 inches.

There is also the fact that the coal seam is not continuous and disappears entirely in some areas. Last summer, the province carried out a survey whereby known occurrences of coal obtained by various drillings, working exposures or outcrops were definitely located and related to the same horizon or datum plane.

Until recent years, all the principal coal operations in the province except that of the Minto Coal Co., were under the room-and-pillar system, in which all mining is done by hand. The Minto Coal Co. for several years has been operating under the long wall system, undercutting the coal by machine. Comparative production figures for the province over the last ten years are as follows:

	Tons		Tons
1935	301,685	1930	180,120
1934	271,335	1929	185,241
1933	266,636	1928	171,208
1932	169,473	1927	167,446
1931	155,353	1926	152,837

Bank Debits Higher

In the first four months of 1936 bank debits to individual accounts in the Maritimes totalled $188.4 millions, an increase of almost 16 per cent over the figure for the same period in 1935.

Power Production

The annual average increase in electric power production in the Maritimes since the war has been almost 30 per cent.

MANUFACTURING PROGRESSES

Typical of the fine manufacturing establishments of the Maritimes is the Acadia Sugar plant at Dartmouth. Despite somewhat lower production, this company has been quietly establishing its position.

In terms of value of output, manufacturing has become the leading industry of the eastern provinces. Particularly may this be said of New Brunswick and Nova Scotia. Saint John is the leading industrial centre of the three provinces, followed by Sydney, where operations of Dominion Steel and Coal Co. bulk large, and Halifax.

Lumber Industry Aided By U. S. Trade Treaty

Operators Feel Duty Reduction Will Increase American Demand — English Market Fair

The trade agreement with the United States which became effective the beginning of this year is looked to by Maritime lumber operators as a most constructive factor for the industry.

A definite increase in exports has already become apparent, with the early months of 1936 showing a substantial improvement over the corresponding period of last year, due in large measure to the halving of the duty on shipments crossing the border from $4 to $2. The price of lumber to United States buyers has not had to be cut, despite belief in some quarters that this might be necessary, and some hope is held that it can actually be raised.

May Improve Other Markets

In recent years, more lumber has been shipped to Great Britain than to the United States and it is believed the duty cut may have the effect of switching sufficient business to the south to swing the balance in favor of the States. This would probably entail an improved competitive position in the English market.

The English market for lumber seems somewhat brighter. Plenty of building is reported to be still in the future, particularly in regard to slum clearance projects, and the price situation is more encouraging.

Despite constantly good demand throughout 1935, prices were abnormally depressed, with heavy stocks, distress offerings and other factors seriously affecting the general level. Toward the end of the year, however, improvement became evident.

World Output Cut

Then at the International Timber Conference this spring, reduction of output by the world's leading producers was agreed upon. Sweden, Finland, Russia, Poland, Czechoslovakia, Austria, Yugoslavia and Roumania all participated in this agreement and total export is expected to be cut about 400 millions of feet to 7,700 millions.

Constant supervision of this restricted plan of export will be made, and it is expected it will tend to stabilize European markets, which in turn will react favorably on the market as a whole. Insistence of the Russians in increasing their price schedule is regarded as encouraging.

However, European conditions, which materially influence the English trade, are still disturbed, and while the outlook is better, it can't be termed definitely good until international complications are cleared away.

Lumbermen feel a boom in United States business is required to restore to the industry the prosperity it once knew. British Columbia's quota under the trade treaty will mean competition for the Maritimes, as the western producers are said to be willing to accept a somewhat lower price.

It is of interest that Maritime operators consider British Columbia their chief competitor. It is pointed out that trees in the west are considerably wider, but that in so far as the English market, particularly, is concerned, this is largely offset by a longer freight haul.

For the past few years operators claim they have made no money, and this has been reflected in lower wages, in reduced demand for supplies and so on, making itself felt throughout the entire industrial structure.

One of the major causes of the present situation is said to be rising operating costs in the face of declining demand. And one of the most important causes of rising costs has been greater taxes, larger appropriations for workmen's compensation, etc, One operator has estimated that on land which is owned outright and on which lumber was cut annually after 10 or 15 years, taxation on the actual growth would be $3 a 1,000 board feet. Average selling price is estimated at about $18.

Relatively high railway freight rates are also regarded by lumbermen as a bar to more profitable operations. In this category they place not only rates on lumber itself, but also on the various supplies which are required for maintenance and production.

Fish Barter Deal Proves Successful

Depressed conditions among fisherfolk have led at least one Maritime concern to resort to barter in dealing with certain communities.

This firm, which deals in fishermen's supplies, realized that at best there would be considerable delay, if not, uncertainty, in collecting outstanding accounts in cash. A representative was sent to dicker with the purchasers and the upshot was that the company had a good many tons of fish on its hands.

The venture into the fish marketing business was crowned with success, as, in part due to the United States' trade agreement, the stocks were disposed of at fair prices. The result was thus satisfactory all round, and, failing substantial improvement in the position of these communities, the same scheme will probably be resorted to again.

Output of Lumber Down Somewhat

But Operators Are Finding Prices Improved

The cut of lumber in the Maritime Provinces this season has been lower than in 1934-35, most operators believe, although figures are not yet available. Prices, however, have been much better.

Last season was the best—as far as production was concerned—that the industry has had in many years. In New Brunswick, the cut of sawlogs on Crown lands in the year ended Aug. 1, 1935, advanced to 136 millions of feet, compared with 108 millions in the previous year and with only 49 millions in 1933. In addition, there was a 43 per cent increase in the cut of ties, posts, fuelwood, etc.

In Nova Scotia lumber production at 218 millions of feet registered an increase of 11 per cent, and substantially larger increases are recorded in output of railway ties, mining timber, etc. Total production, including pulp wood, rose 21 millions of feet, or about 6 per cent above the preceding year.

Pulp Wood Cut

The cut of pulp wood was much the same in Nova Scotia, but in New Brunswick was materially less, dropping from 230,697 cords in 1934 to 129,317. Despite this, however, 537,281 cords of pulpwood were manufactured in paper mills of the province, an increase of 72,391 cords. The total amount of pulpwood manufactured in or exported from the province in 1935, at 738,809 cords, was the largest in the last 20 years, as far back as statistics are available.

Statistics Evidence Of Maritime Recovery

Most Factors Point to Greater Business Activity

EMPLOYMENT UP

An analysis of the present economic situation in the Maritimes from the statistical viewpoint unearths a considerable amount of material for optimists.

From the long term viewpoint some authorities have expressed themselves dissatisfied with the progress which has marked business in the three eastern provinces, but recent developments have to a large degree changed the basis of their comment.

Steady improvement in industrial conditions has been evident in the Maritimes since the beginning of the year. This resumes the upward march from depression lows which had been interrupted for a time last fall. Not all indicators of business activity are favorable, by any means, but the scale has been well balanced on the right side.

The index of business in the Maritimes, as compiled by The Financial Post, is once more above the Dominion as a whole.

Employment Gains

Perhaps no better barometer of current productive enterprise could be found than the trend of employment. Apart from those engaged in agriculture, reports are made by all concerns employing 15 or more men. The 4½ per cent gain recorded by the index of employment in the first four months of 1936 is thus an excellent indication of economic betterment. And this is an extension of improvement noted last year.

Payrolls of the 645 firms reporting in 1935 averaged 73,900 employees, against 71,400 employed by 613 concerns in the previous year. Reflecting material advance in iron and steel, lumber and food industries, particularly, the index of manufactures averaged 95.9 last year as compared with 91.8 in 1934. While resumption of work by an even greater number would, of course, have been desirable, the tangible nature of improvement in employment has been unmistakable.

Financial Indicator Up

From the financial angle, an indicator which furnishes a line on business transactions is the amount of cheques cashed at the three clearing centres. The first clearing centre in the Dominion was established at Halifax, with others being subsequently added to the list at Saint John and Moncton.

During the first four months of 1936, the sum of the cheques cashed at the branch banks of the three centres was $188.4 millions, a gain of almost 16 per cent over the corresponding period last year. This gain in the turnover of bank deposits suggests a speeding up in the actual transaction of business characteristic of a period of economic recovery.

In comparing the bank debits in the three reporting centres with those for other economic areas, it should be kept in mind that the proportion cashed outside the reporting cities is greater in the Atlantic provinces than in any other section of Canada. By a test made in January, 1935, it was found that 51 per cent of cheques presented in the Maritimes were cashed outside Saint John, Halifax and Moncton. This proportion compares with 6.5 per cent in Quebec and 7.8 per cent in the Prairie Provinces.

Higher Value of Trade

A factor of great significance to the Maritimes is the volume and value of the trade passing through the various ports, particularly Saint John and Halifax. This year a sharp increase in the value of shipments has been recorded. The value of exports from January to April was nearly $88 millions, compared with $72 millions in the same period in 1935. An increase of almost 22 per cent appears to indicate that the Maritimes have shared in the marked expansion of Canada's external trade since the beginning of the year. The area is favored by having cheap and regular ocean transportation at its very door, and recent developments suggest that the vision of a heavy overseas movement through the winter ports of the Maritimes may yet be realized.

The construction industry is not generally active, but contracts placed in the first five months of this year amounted to $4.3 millions, an increase of more than $200,000 over the 1935 figure. A marked percentage gain has been shown in building permits this year, but the total is still small, and aside from government operations it cannot be said that a satisfactory level has been regained.

A surprising reversal occurred in output of electrical energy, which declined 6 per cent to 179 millions of kw.h. Another reactionary feature has been sales of life insurance which have dropped 1.5 per cent under last year's level.

After giving relative weight to the factors mentioned above, the business index for the Maritimes as a whole averaged 106.3 in the first four months of 1936 as compared with 104.0 in the same period of 1935. The gain has not been spectacular, but it does indicate definite improvement. Another feature which should be noted is that the upward movement this year has been steady, as contrasted with the usual spring recession.

Maritimes Add 36,000 Persons

An interesting development in the Maritimes is the increasing trend of population. Estimated on the basis of available information, there has been appreciable advance since the census of 1931, the figures now being placed at 1,045,000, a gain of 36,000 in 5 years.

This marks a distinct change from the previous years, as since Confederation, the Maritimes have increased in population much less rapidly in every decade than any of the other provinces. This has not been attributable to failure of immigration or of natural increase but to the emigration of considerable numbers of native stock, and of immigrants who settled for a while in the provinces and then moved on.

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Companies in Review

(Continued from page 20)

Dosco's German customers were unable to provide funds for the purchase of ore and shipments to that market were somewhat reduced.

Larger operations in Sydney, on the other hand, necessitating the use of 401,626 tons, more than replaced this tonnage and enabled the ore mines to operate at a higher percentage than in 1934.

Prospect of iron ore shipments under contract with the German steel manufacturers is still uncertain. The company has received payment in full for all ores supplied on German contracts at the end of the year. Efforts are being made to induce British steel manufacturers to purchase substantial quantities of ore.

Other Departments Active

Dosco's limestone quarries at Port-au-Port produced 226,974 tons in 1935, reflecting the larger output of iron and steel products. The shipping pier and equipment at this plant was entirely remodelled during the year with the consequent reduction in the cost of operations.

There was an increase in operations of other Dosco subsidiary companies while the Halifax shipyards operated at capacity.

Important to Maritimes

Some idea of the importance of Dosco in the economic life of the Maritime Provinces may be gained from figures submitted by Sir Newton Moore at the last annual meeting of shareholders. He told them that during 1935 Dosco and its subsidiaries carried an average working force of 18,250 employees and disbursed the following amounts: wages, $19,189,150; pensions, $95,856; compensation, $531,628; taxes, $858,018; royalties, $559,378; other disbursements, $19,041,982, making a total of $40,276,012.

In regard to the financial status of Dosco, capital adjustments carried out in 1935 reduced funded debt by $2.5 millions, placed it on an income basis and eliminated over $1.1 million of accrued interest, thereby increasing working capital substantially.

Show Profit in 1935

As a result of these changes, coupled with more favorable operating conditions, the company was able to earn a profit of $145,347 in 1935 after all charges, but before bond interest, in contrast with the losses of previous years.

Interest on the cumulative income bonds was paid to the extent of $121,220 leaving arrears of 5.58 per cent accumulative from the date of issue to the end of 1935. Since that time nearly 2 per cent has been paid.

Prospects for continuation of an operating profit are regarded as favorable. Operations to date have been maintained largely due to steel rail orders from South Africa. Domestic business, aside from rails, has been on the upgrade.

Eastern Hat

Though particulars are not available, it is understood that Eastern Hat and Cap Co., with its subsidiaries, Eastern Shirt Ltd., and Eastern Hosiery Mills, have been experiencing a larger volume of business this year than was the case up to the corresponding date a year ago.

The company employs 600 people in the various Eastern plants, and the activities of the Lewis Brothers have recently expanded into the lumber business with the starting of the Deep Harbour Lumber Co. This unit cut some 8 million feet of lumber in its first year of operations and gave employment to over 300 workmen.

Demand for Products

The hat factory has been busily engaged of late in manufacturing tops for various Canadian mills and forwarding to them for finishing. The hosiery mill has had a substantial demand for half-hose, and in the full-fashioned, export business is especially big. The shirt division has been experiencing a good volume of business, due to the established demand for the new fused collar shirts patented by Charles E. Lewis, head of this division in the business.

Eastern Light

Eastern Light and Power Co.'s electricity sales in 1935 totalled 9.2 million kw.h., as compared with 8.6 million kw.h. in the previous year.

Operations of the company are divided into three broad divisions. The company has been extending its services in the rural areas with satisfactory results, although it is probable that not so much of this will be done in the future. Commercial sales have shown a slight increase but are still relatively low per customer. Residential sales have been quite good to date.

Sold Bonds Publicly

Eastern Light has not issued a financial statement since it carried out public financing in the early part of last year. At that time the company sold $600,000 of first mortgage bonds, the proceeds being used to defray the cost of acquisition of the old Cape Breton Electric Co. At the end of 1934 the company served nearly 8,000 customers. Energy is purchased under contract from the Seaboard Power Co., a subsidiary of Dominion Steel and Coal Corp. In addition, Eastern Light has a steam stand-by plant at Sydney. The company owns and operates around 30 miles of high tension line with a distribution system of an additional 87 miles.

Enamel & Heating

After several years of operating losses, Enamel and Heating Products Ltd. finally has been able to show an operating profit. Sales of the company have steadily increased over the last two years and the outlook for the company is better than it has been for some time past.

Operations are centred at Amherst and Sackville in the Maritimes and Victoria on the west coast. The company is one of the principal Canadian companies in its own field of operations. It manufactures stoves, ranges, hot water boilers, furnaces, and cast iron sanitary enamelled ware. Sales offices are maintained, at Sackville, Amherst, Montreal, Toronto, Winnipeg and Vancouver.

Fraser Companies

Volume of business obtained by Fraser Companies Ltd. for its mills at Edmundston and Madawaska during 1935 was greater than obtained during the previous year, but the lumber business continues somewhat lower in volume than during the past three years. The Restigouche pulp mill operated at capacity in 1935, but the average market value of pulp was lower than during 1934.

The company does not manufacture newsprint, but derives its income principally from sale of lumber, paper and sulphite pulp for the manufacture of artificial silk. It has experienced marked increases in revenue since the reorganization in 1932. Consolidated net earnings increased to $1.8 million for 1935 from $1.5 million in 1934. Net loss after interest and other charges was $84,288 compared with the loss of $371,842 for 1934 and substantially lower than the losses for many years since 1928.

An improvement in working capital of nearly $1.4 million was achieved in 1934 and this now amounts to just short of $2.5 millions. Of this increase in working capital $624,644 was due to the postponement of interest charges which were accrued as a fixed liability.

Adjust Debt Position

Interest on Restigouche Co.'s bonds was paid in cash, but no cash payments were made to Fraser Companies bondholders. The latter company gave bondholders the option of accepting payment in stock or postponing payment in accordance with the terms of the 1932 reorganization.

Under the plan of reorganization carried out during 1932, the company failed to pay interest in cash up to the end of 1935, the charge could be deferred until a later date or the bondholders could take stock in lieu of cash, but on July 1, 1936, the obligation of paying cash comes in force. Provision also was made for sinking fund payments of 2½ per cent annually on principal amount of bonds becoming payable December 2, 1936.

Liquidate Interest Arrears

While there has been a marked improvement in the financial position of the company, it was deemed advisable to conserve resources and to that end a plan was submitted to the security holders calling for the liquidation of obligations through the issuance of additional stock in full settlement of deferred interest and interest on interest.

The plan provides for the issuance of 166,856 shares, which were offered to present holders of the common stock and voting trust certificates in the ratio of one and one-eighth shares at $12 a share for each share held. Cash proceeds would be distributed to the bank and the bondholders in the ratio of their holdings. If only part of the stock is sold, such cash received and the balance of the shares will be distributed pro rata.

This plan was approved by all interests and as a consequence the financial position of the company is materially strengthened.

General Finance

Further expansion in business is reported by General Finance Corp. of Halifax. This company was formed not long ago for the purpose of carrying on a general finance business much along the lines of the Morris plan which has been extensively developed in the United States and Canada.

Starting with their original office in Halifax, the company has spread to other parts of the Maritimes. The management have further plans for expansion in mind and at present have made application to establish a subsidiary in Newfoundland.

Gain in Assets

Last year the company suffered a reduction in earnings, net profit for the year amounting to $4,400 compared with $12,636 in the previous year.

During 1935 current assets were increased by $130,451 to $325,476. Current liabilities are shown at $14,675.

Investment notes and certificates outstanding at the end of the year totalled $150,261 and installment investment certificates $158,958.

Irving Oil

Irving Oil Co., Saint John, established a few years ago, has developed into one of the major distributing organizations in the more important centres of the Maritime Provinces. It is the largest independent operator in the field and at the end of last January had several million dollars invested in property and distribution facilities.

According to information received, the company has more than 30 bulk stations in the Maritime Provinces to cover over 3,000 retail outlets. Storage capacity totals over 5 million gallons.

No financial statements have been made public by the company since 1934, consequently it is not possible to determine what progress has been made in the way of earnings. The company has outstanding approximately $400,000 of 6 per cent preference shares and 45,990 shares of no par value common stock. The last available report indicated a small amount owing on purchased properties and a moderate bank loan.

Maritime 'Phone

Maritime Telegraph and Telephone Co., operating the telephone system in the greater part of Nova Scotia and Prince Edward Island, continues to report gains in services.

The company's financial statement for last year showed an increase in gross income, reflected in the larger amount available for dividends on the capital stock. Net profit at $340,210 was the highest reported in some years.

Working capital position of $32,208 was the best since 1929. At the end of 1934 it stood at $8,146 compared with an excess of current liabilities over current assets for the previous four years.

Early last year Maritime Telegraph carried out a refunding operation designed to reduce interest charges. A new 30-year bond was put on the market carrying a 6 per cent coupon up to 1941 and a 4½ per cent coupon thereafter until maturity. As a result of this conversion, all of the company's bonds are now first mortgage bonds.

Maritime Life

Maritime Life Assurance's volume of new business this year to date has been slightly less than that reported a year ago. However, for all of 1935 the company reports an increase of 15.9 per cent in new business underwritten as compared with the previous year. New cash premiums collected last year increased 27 per cent, while the total business now in force at 12.6 millions is the highest ever reported by the company.

Another new mark established by the company took place last February when the company declared an initial dividend of 3 per cent on its paid-up capital. The decision to pay the dividend was influenced by the fact that reserve had reached $115,000. The annual report states that "that total is arrived at by writing down all securities of either market, book or par value, and is considered adequate to cover any eventuality."

Mersey Paper

Furthered by low wood and conversion costs, and cheap transportation, Mersey Paper has been able to operate its plant at Liverpool, N.S., at capacity for the past several years.

The two machines operated by the company are nominally rated at a capacity of 250 tons daily. This figure has been exceeded on many occasions. On February 10 last the record was set when the plant turned out 347.9 tons.

From the point of view of operations Mersey's position is highly satisfactory, but the low price for newsprint makes for limited earnings. However the company has been able to meet all its charges since its establishment in the latter part of 1928. Interest on bonds and bank loans has been regularly met, while a fair amount has been set aside for depreciation.

Bonds Back Loans

The company's balance sheet shows an excess of current liabilities over current assets. This is due to the fact that at the time of development, Mersey Paper was unable to carry out its full financial programme. Consequently all of the first mortgage bonds are pledged with the bank as collateral against loans. The only security in the hands of the public is the general mortgage bond.

Moirs

Moirs Ltd., of Halifax, principal manufacturers of confectionery and bakery products in the Maritime Provinces, report a marked improvement in earning power in 1935. Net income available for bond interest was $104,404, as against $17,435 in the previous year. The management consider the returns for last year as satisfactory in view of the continued competition and decline in the selling price of some of the company's products.

Moirs management difficulties have been satisfactorily settled and it is anticipated the company will be able to consolidate its position in the trade.

In business for more than a century, Moirs has built up a national and international business for its products. In 1925 when the company changed from private ownership to a joint stock enterprise, until 1931, an ambitious line of expansion was undertaken. Manufacturing facilities were greatly enlarged, but sales did not keep pace.

Additional difficulty was encountered in meeting the additional burden imposed on its earnings by the increased interest charges, brought about by the heavy capital expenditures and at the beginning of 1933 the company was unable to meet interest obligations.

A reorganization has taken place since that time and new economies put in force. Consequently the company has been able to maintain the quality of its products and, at the same time, increase profit on gross turnover.

N. B. Power Board

Improvement in business conditions in New Brunswick is reflected in operations of the New Brunswick Electric Power Commission.

Report of operations covering the fiscal year ended October 31 last showed total revenue of $924,961, an increase of $72,262 over the preceding year. Expenditures totalled $829,026, leaving a gross profit of $95,934. Added to this was an amount of $32,421 transferred from reserve for future purchases of power, bringing the total to $120,356. After providing for sinking fund, maintenance and renewals, and other charges, there was a book deficit on the year's operations of $22,113, or practically the same as in the preceding year.

Add to Capacity

Last year the commission added a new unit of 8,330 h.p. to its Grand Lake steam plant which was brought into operation during April, 1936.

Lower water conditions at Musquash from August to October last placed full capacity load on the Grand Lake plant and 619,600 kw.h. of energy were purchased from the New Brunswick Power Co.

A total of 20.9 million kw.h. was generated at Musquash and 20.2 million kw.h. at Grand Lake, making the total power at switchboard 41.7 million kw.h. Of this amount, 188,700 kw.h. were sold to New Brunswick Power Co. during periods of repair to their equipment; 35.5 million kw.h. were delivered to various transformer stations for use of direct and indirect customers of the Commission.

N. B. 'Phone

New Brunswick Telephone Co., owning and operating a telephone system covering New Brunswick and connecting with the systems in the adjoining provinces, reports a further moderate gain in revenues last year.

New financing has been undertaken by the company of late, surplus revenues being used to build up working capital position. The latter has shown steady improvement to $282,403 by the end of last year from the low point in 1931 when current liabilities succeeded current assets by $657,056. Since then, bills payable originally amounting to $845,000 have been paid off and a $40,000 bank loan was liquidated in 1935.

N. B. Power Co.

New Brunswick Power's revenues in 1935 were somewhat larger than in 1934. The street railway department held its own, while the power and light service made a better showing than in 1934.

Negotiate With City

Toward the end of last summer the company informed the City of Saint John that the operation of two electrical systems its own and the city's, in the municipality was uneconomic and that if the company were to continue in business it would be necessary to make further capital expenditures. A suggestion was made that the city should take over the company's properties.

Following up this suggestion the city made arrangements for a firm of accountants to examine the books of the company with the view to arriving at a satisfactory price. This work was delayed by the death of the chartered accountant in charge of the work.

In the event of a failure to make a deal, the company proposes to make an offer for the city's system. At the moment there is a bill before the provincial legislature in regard to a plebiscite in regard to the sale.

Bearing on Bonds

The outcome of the plebiscite will have an effect on another problem confronting the New Brunswick Power Co., namely, what to do with its funded debt. At the end of 1934 the company had outstanding nearly $1.7 million of 5 per cent first mortgage bonds. These bonds mature in 1937 and so far no decision has been reached as to what shall be done with the bonds pending the outcome of negotiations with the city.

N. S. Light

Further improvement in operations and earnings is reported by Nova Scotia Light and Power Co. for the past year. Reflecting the change and also due to the inclusion of dividends from subsidiary companies, the dividend on the common stock was increased from $3 to $5 a share.

Nova Scotia Light's operations, are divided into three departments. Tramway earnings in 1935 decreased slightly, the 9.3 million revenue passengers carried being almost as many as in 1934 with the average fare of 5.74 cents practically unchanged.

There was a general increase in the use of electricity from all classes of customers, especially for power, the volume of electricity required to serve the area being 15.6 per cent greater than in 1934.

Lower gas rates reduced earnings from that source, partly offset by improved efficiency in operation.

Consolidate Subsidiaries

The early part of last year the company acquired the fiscal assets of two of its subsidiaries, Dartmouth Gas, Electric Light, Heating and Power Co., and the Sackville River Electric Co., so that the company now supplies electric light and power directly to the town of Dartmouth, the village of Bedford and adjacent territory.

In 1935 the statement showed an increase of $547,000 in the investment, reflecting the acquisition of these companies and the assumption of the bank loan of the Avon River Power Co., another subsidiary.

Buy Other Properties

In addition to these, Nova Scotia Light purchased from American interests the outstanding shares and securities of the Annapolis Valley Electric Co., Western Nova Scotia Electric Co., Lunenburg Gas Co. and Milton Hydro-Electric Co.

Last November Nova Scotia Light made an offering at par to its shareholders of $455,700 of 6 per cent preference stock, in the ratio of one new share for each 10 shares held. Issuance of this stock was approved by the Nova Scotia Board of Public Utilities and proceeds were used by the company to cover capital expenditures which had already been incurred.

N. S. Power Board

Nova Scotia Power Commission is operating to capacity at present. This implies an annual output in the neighborhood of 202 million to 212 million kw.h., according to the water supply.

Gross revenues of the Commission for the fourteen months ended November 30 last totalled $1.3 million and after paying operating expenses there was a net income of better than $1 million. Of this sum $839,175 was used for interest on loans; $63,039 for sinking fund installments; $128,268 for contingencies and renewals and the balance distributed among other reserves.

The operating statement shows the Commission delivered 238 million kw.h. during the 14 months period, as against 210 million kw.h. for the 12 months ended September 30, 1934.

Operate 13 Stations

At present the commisson has in operation 13 hydro-elecrtic stations with a total rated capacity of nearly 63,000 h.p. The number of bulk power and energy customers served exceeds 21 and the number of retail conections over 1,100.

Transmission lines in service total 497.7 miles as against 455.6 miles at the end of September, 1934.

At present Nova Scotia Power Commission operates eight systems covering a territory of about 400 miles long and serving the counties of Antigonish, Pictou, Colchester, Halifax, Lunenberg, Queen, Shelburne, Yarmouth.

Each system, excepting Antigonish, which is non-generating, produces its own electric power and energy, although the Mush-a-Mush system purchases energy, over its own generating capacity, from the Markland system through an interconnected transmission line.

Sell Power Wholesale

Generally speaking, the commission has followed the policy of selling power wholesale rather than retail. While a number of areas are supplied with electricity direct, the major share of the power output is sold in blocks to consumers such as Nova Scotia Light, Heat and Power, Mersey Paper Co. and municipalities with their own distributing system.

N. S. Trust

Nova Scotia Trust Co. reports business about the same as a year ago. The general difficulty confronting most of the trust companies in the Maritimes is in finding a profitable field for investment of funds.

Last year the company maintained earnings despite a falling off in interest rates. After the 7 per cent dividend on $474,700 of paid-up capital and taxes of $14,514, $10,000 was added to the general reserve, and a similar amount to a special reserve for possible real estate losses. Surplus then remained approximately the same as in 1934.

Demand for mortgages has not been as great as in former years, states Melvin S. Clarke, president, and last year it was not deemed advisable to increase the outstanding mortgage certificates.

Port Royal Pulp

Operations of the Port Royal Pulp and Paper Co. are reported to be on a somewhat better basis.

Early in the year the company made arrangements to increase its borrowing power with the bank. In order to do this it was necessary to secure approval of the guarantors of the original loan, who were the New Brunswick Government, City of Saint John and County of Saint John.

Port Royal Pulp operates the mill at Fairville, N.B.

Saint John Drydock

Saint John Dry Dock and Shipbuilding Co. which brought about a reduction in interest charges 2 years ago by bringing out a new bond issue at a lower coupon, has called in the 1934 issue for redemption July 5 next. Approximately $3.6 millions of the current bonds are outstanding and it is anticipated that further financing will be effected.

Saint John Dry Dock has been experiencing an exceptionally good volume of business in the last year or two. In addition to a large amount of ship repair work, the company has been engaged in other fields of activity, such as dredging, steel construction work, etc.

Operate Big Drydock

Primarily the company is interested in ship building and ship repairing. It owns the largest graving docks in the British Empire. It is situated at the head of Courtney Bay within the harbor limits, and adjacent to the port of Saint John. Facilities are complete, including easily handled stagings, gangways, machine shops, etc.

Last fall the company took out supplementary letters patent affecting the capital stock. The old set-up of 18,000 Class A shares and 20,000 Class B shares, all of no par value, were reduced to 20,000 Class B shares with the cancellation of the Class A stock.

The Class B shares have been changed to common shares and the capital stock increased from 20,000 common shares of no par value to 1,520 6 per cent cumulative preferred shares of the par value of $100 each and 20,000 common shares of no par value.

Stanfields

Operations of Stanfields Ltd., textile operators in Truro, N.S., are reported to be somewhat better than a year ago.

Profits of the company last year were higher than in 1934, reflecting a moderate gain in sales.

No figures are available as to the turnover or profits, but in the annual statement to the shareholders, F. T. Stanfield said that due to improved conditions during the past two years, it had been somewhat easier for the management to hold down overhead expenses and to keep plants in operation.

Recently the firm consolidated sales forces further and opened a warehouse in Montreal.

At one time there was a fairly extensive investment interest in this enterprise, but on the death of the Hon. Frank Stanfield, changes were effected, which resulted in limiting public interest in the firm.

Wallace Bros.

Established as the Sussex Manufacturing Co. in 1880, the name of the enterprise was changed to Wallace Manufacturing Co. in 1925. Operations are carried on at Sussex, where the company has a foundry and machine shop.

Products of Wallace Manufacturing are distributed throughout the Dominion. The company manufactures both commercial and domestic refrigerators; school furniture, house furnishings, store fixtures, etc.

In order to supply lumber requirements, the company operates its own timber limits, cutting about 2½ million feet a year and giving employment to about 100 men.

While there is no financial statement made public by the company, it is understood earnings have been sufficient to enable the company to meet its bond interest requirements regularly and to retire serial bonds when they fall due. Originally the company issued $20,000 of bonds on its property, but the outstanding amount has been reduced to $10,000.

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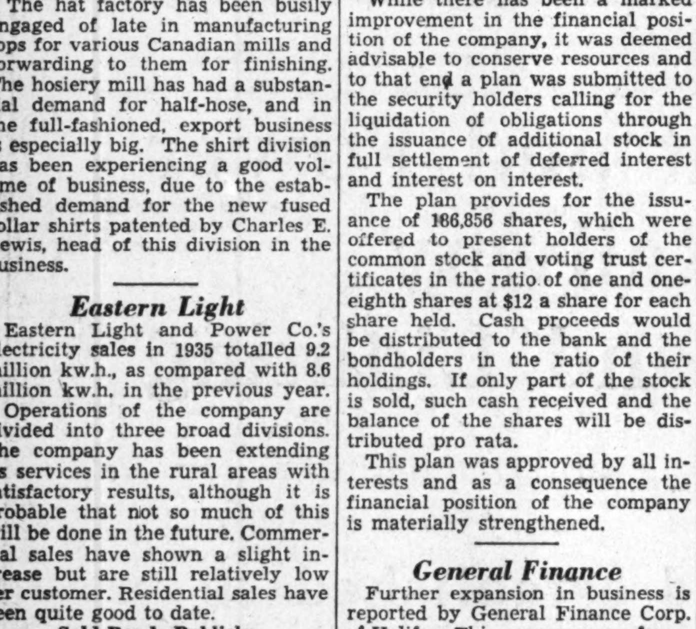

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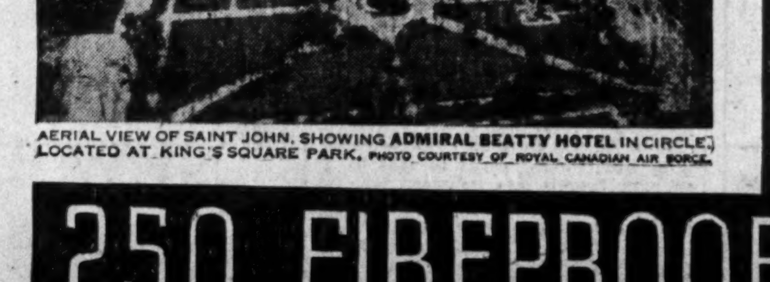

AERIAL VIEW OF SAINT JOHN, SHOWING ADMIRAL BEATTY HOTEL IN CIRCLE, LOCATED AT KING'S SQUARE PARK. PHOTO COURTESY OF ROYAL CANADIAN AIR FORCE.

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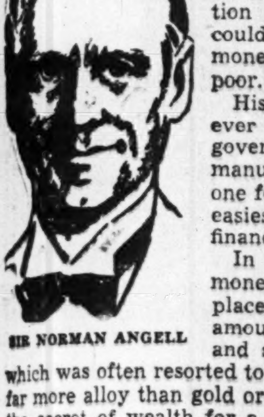
Sir Norman Angell on Social Credit

There's Nothing New in It Nor in the Other Major Monetary Heresies That Are So Popular Today

This is the twelfth of a series of articles by Sir Norman Angell, in which he simplifies the operation of money and credit.



SIR NORMAN ANGELL

In a previous article we dealt with the ancient confusion which has marked the history of money ever since men began to use money at all. This is the idea that money is itself wealth, and that consequently if you increase the quantity of money you increase the quantity of wealth; which leads inevitably to the notion that if everybody could have plenty of money, nobody need be poor.

History tells us also that ever since money began governments turned to the manufacture of money in one form or another as the easiest way out of their financial difficulties.

In the ancient world monetary inflation took place by increasing the amount of alloy in gold and silver coins, a device which was often resorted to until there was often far more alloy than gold or silver. The idea that the secret of wealth for a nation lay in having plenty of the precious metals was behind the Mercantilist and Bullionist policies, which all the nations of Europe followed for generations. Their legislation was practically all directed to getting foreign gold and silver, and keeping out foreign goods.

Country Money-Poor

The country which pursued this policy most effectively was Spain, which was able, by her early conquests of South and Central America, to draw upon vast sources of the precious metals. Yet speaking broadly, the more gold she got, the poorer she became.

One of the historians of Mercantilism (Horrocks) tells us that "the system failed to produce anything other than an artificial appearance of wealth and power . . . It greatly raised prices . . . and commerce, industry and agriculture alike were stifled by over-regulation, often by measures specifically intended for their protection."

The same general idea—that to get gold was to abolish poverty—was, of course, behind the efforts of the old alchemists to discover a means of manufacturing gold; and of the kings who caught the alchemists and kept them in prison on bread and water until they should do the trick. Neither the kings nor the alchemists had apparently the faintest inkling of the fact that the complete success of their efforts would reduce their achievement to uselessness: that if gold could be made as cheaply as iron it would be of no more value, and of no more utility as a basis for money.

With the introduction of paper money, "more-money" enthusiasts have been able to apply their theories at times thoroughly and recklessly, and to those experiments, including the ones that succeeded relatively, reference has also been made in these articles.

Now, all this is recalled, not at all for the purpose of implying or hinting that we should never increase the amount of money "artificially," nor that we should, or can, "leave money alone," and refuse to "monkey with it."

Compelled to "Monkey" With System

There is no such thing as "leaving money alone." Every economically civilized country has been driven to create a complex machinery of regulation and a very complex code of monetary legislation. Experience shows that we are compelled to "monkey" with the money system. And even if we went back to gold, we should have to manage gold, precisely as we manage without it.

The purpose of recalling the historical facts just mentioned is to remind the reader that the idea of a "deficiency of purchasing power" as the cause of poverty, a deficiency to be remedied by putting more money into the hands of consumers, is as old as money itself; that the idea has been tried in one form or another again and again, and has been the subject of study by economists, for generations, if not indeed for centuries.

Obviously the economists have not solved the problem of money, and it is good to have fresh minds and fresh ideas brought to play upon it. But in entering upon any such enquiry it is plainly just as well to know whether our idea has occurred to men before, what the result of trying it has been. The object should be to begin where earlier students left off, not to travel the same road over and over again, falling over the same cliffs.

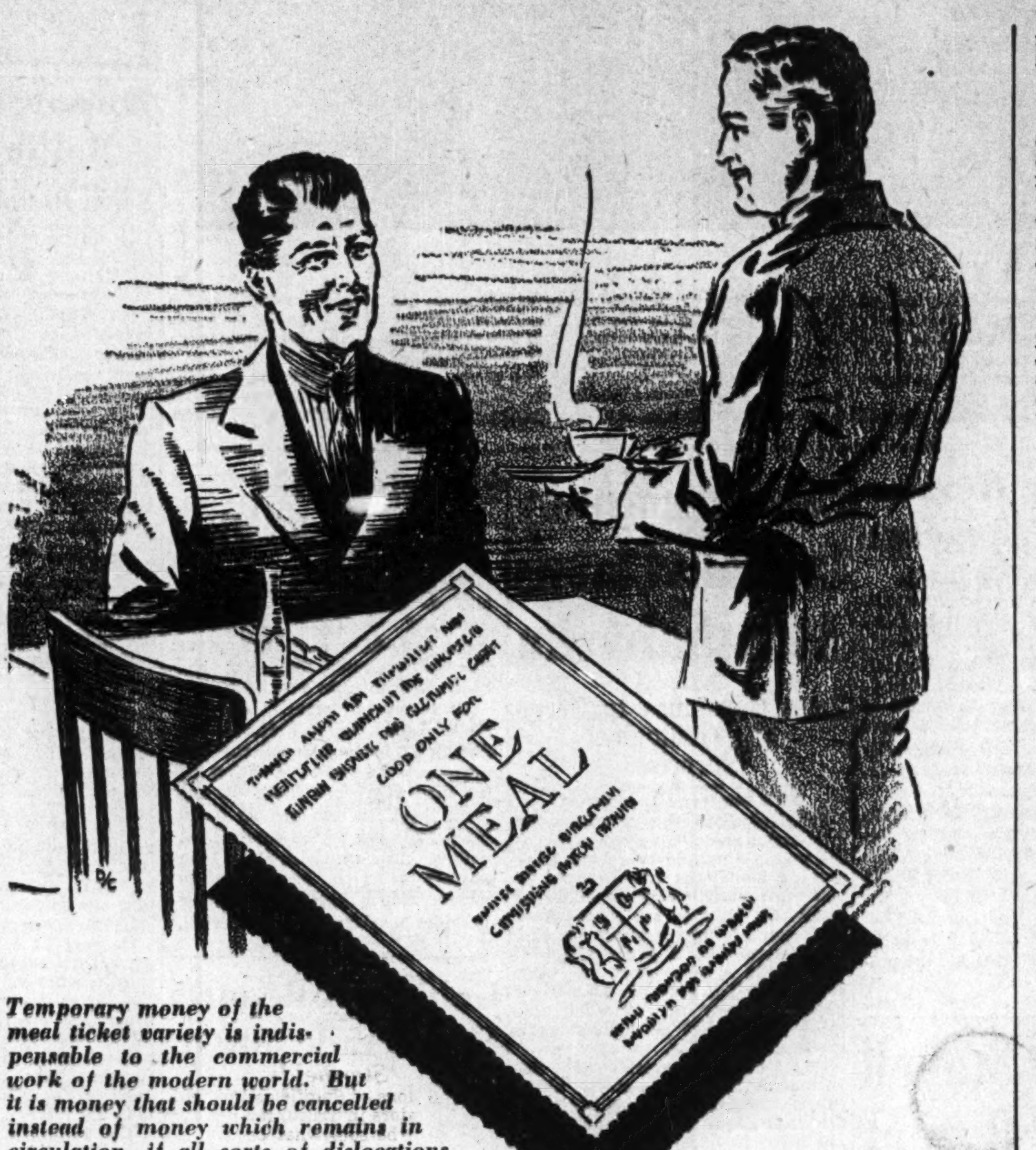
Story of Disaster No Lesson

Some account of experiments with paper money has been given in previous articles. One suggestive feature of that story is the way in which a nation (like the United States or a section of it like the Confederate States), having experienced the disasters which follow an indiscriminate increase in the money token (we saw what paper money meant to the Confederacy and Greenbackery to the nation as a whole) can a few years later turn to the same remedy if only it is presented in slightly different form.

Hardly had the United States emerged from the effects of the war inflation than it was aflame for the remonetization of silver at a "fiat" ratio to gold. The Bryanite campaign was supported by arguments which were the exact arguments used for paper inflation a generation earlier. Many who in the nineties clamored for "silver at sixteen to one"—a "fiat" silver dollar—must have been witnesses of the results of attempting to create a "fiat" paper dollar. It is not, after all, experience which makes men wise, but the ability to interpret experience aright.

Monetary cures of the amateur type can take an infinite number of forms, though the underlying idea is in most (not all) cases identical. Following the "free silver" campaign in the United States came a variety of monetary reformers in Great Britain basing their claims generally upon the abolition of gold as the standard money. The war and its subsequent disorders achieved what their advocacy could not. The results—by no means all bad—are before us. Later proposals have been based on the abolition of interest, while one notable scheme, that of Gessel, would make money perishable by a sort of inverted interest. Currency notes should not, as now, retain their face value without any action on the part of their owner, but should depreciate in value by a certain percentage every week. To avoid this depreciation in face value, stamps would have to be added to the note.

Other schemes advocate the taking over of the loan-creating or loan-granting powers of banks by the government. One recent plan, supported by a number of Chambers of Commerce in Great Britain, consists mainly in the substitution of bills for overdrafts as the normal form of commercial credit, the bills so created being rediscounted with the Central Bank and used by it as the basis of its note issue instead of gold and government securities.



Temporary money of the meal ticket variety is indispensable to the commercial work of the modern world. But it is money that should be cancelled instead of money which remains in circulation, if all sorts of dislocations are not to arise.

Would Boost Purchasing Power

Quite a number of schemes, of which the most notable is perhaps the Douglas plan of "Social Credit," have as their objective the furnishing of "consumers credits," as a means of supplying the "deficiency of purchasing power."

The whole Social Credit movement rests on the view that our present monetary system produces a permanent deficiency of purchasing power arising from the fact that of the costs incurred in the production of commodities for sale only a part have involved the distribution of purchasing power to potential consumers. It would follow that when the commodities are ready for sale, consumers could not buy them at prices which cover their cost of production because the necessary purchasing power would not be available. The ordinary bank loans granted for the purpose of producing capital goods lead to the accumulation of a vast debt which, it seems to be the contention of the Douglasites, can never be repaid.

It is obvious that a detailed examination of all these various schemes would demand a whole library to itself, and is beyond the scope of brief newspaper articles attempting to give general elementary ideas of the nature of money. The Social Credit plan, which is perhaps the most popular of all in Canada at the moment, has an abundant literature all to itself, very readily accessible. The reader who would care to examine more systematically the criticisms of the scheme might be referred to two or three popular books on money that cover the case quite faithfully.

H. T. N. Gaitskell, of New College, Oxford, lecturer in economics at University College, London, has contributed an illuminating chapter of criticism in the book edited by G. D. H. Cole, "What Everybody Wants to Know About Money." The report of Great Britain's Macmillan Committee on banking and currency also deals with the Douglas proposals. E. F. M. Durbin, of New College, Oxford, and lecturer at the London School of Economics, discusses the same subject in his book, "Purchasing Power and Trade Depression." The three well known Cambridge economists, D. H. Robertson, R. G. Hawtrey, of the British Treasury, and A. C. Pigou, have all dealt with the matter either in broadcasts or articles or chapters of their books.

Criticism from the Socialist angle may be found in a pamphlet published by the British Labor party (which examined and rejected the scheme) entitled "Socialism and 'Social Credit'." Criticism from the Marxist angle is made by Fred Henderson, (author of "The Economic Consequences of Power Production," and "Money Power and Human Life"), in his book "Capitalism and the Consumer."

Banks Point of Attack

For detailed criticism of that particular plan, the reader may be referred to that very considerable literature. What it is perhaps most useful to do here is to examine certain basic assumptions common to most of the monetary heresies—the popular money cures for poverty.

Common to most of them are two dominating assumptions, first that there is a chronic money scarcity and secondly that this scarcity is due to the monopoly of "credit creation," possessed by the banks, a scarcity that is deliberately maintained by the "banks" for the purpose of their private profit and advantage; and that only the vested interests of these powerful groups stand in the way of the adoption by the peoples of a quite simple device which would abolish the paradox of "poverty in the midst of plenty."

Let us deal first with the latter assumption—that the failure to adopt these plans is due to the interested opposition of bankers, that their opposition explains even the fact that no duly qualified economist—no economist that is who has been qualified in the sense in which we talk of a doctor being qualified, by a systematic study at the appropriate institution of learning—can be found either to accept the premises or to support the practicability of the plans produced. That is a fact which is suggestive as far as it goes, and has to be met. Major Douglas himself meets it by implying that the professional economists of Cambridge, of Oxford, of the London School of Economics, and presumably of the other great universities of the world, are all under the more or less corrupt influence of the great banking interests. Indeed, he does not mince words about it, and writes of "professional economists, necessarily in the direct or indirect employ of banks or insurance companies," and likewise of "The London School of Economics which combines the various qualities of being the fount of financial orthodoxy, staffed by the flower of socialistic personnel, chiefly chosen and paid by bankers and financiers."

But it is not merely the professors, the professional economists, who are thus corrupted by the influence of the bankers. We have to explain the opposition of organized Socialism, of members of the British Labor party, of Communists, even, to the Douglas plan. Well, they, too, it would appear, have been nobbled by the bankers.

Economics has been an organized, if inexact science for at least a century and a half. There is available as data, especially on the monetary side, the results of innumerable monetary experiments. The management of money and credit has evolved into an elaborate financial system that itself has a vast literature, with institutions of learning and study. There is nothing secret about the grounds upon which banking or monetary policy may be adopted or rejected; the pros and cons of argument and discussion which go on year after year, generation after generation, are available for the world to examine.

There are many severe critics of banking methods within the ranks of qualified and relatively "orthodox" economists. One of the greatest of the modern Cambridge economists, John Maynard Keynes, has in recent years been bitter in his criticism of certain features in the management of the monetary system. But he himself, in his last book but one, "Treatise on Money," admits fully the extreme difficulty of the problem confronting the practical banker. He notes that "in recent years most people have become dissatisfied with the way in which the world manages its monetary affairs," yet though "we do badly, we do not know how to do better. I don't think that practical bankers are primarily blameworthy for this."

When, therefore, it is implied that the miseries under which men suffer, this paradox of starvation in the midst of plenty, can be ended by some quite simple device which only the corrupt interests of a tiny class of the community oppose; that those who pass their lives in studying only economic problems refuse to adopt the cure which would end our misery because they themselves are corrupted by the bankers; that this corruption extends as much to Socialist and Communist revolutionaries as to Conservative industrialists, leaders of business and the university professors—then one's credulity is assuredly a little strained.

Prof. Soddy Finds Himself

It is worth noting in this connection that Professor Soddy, who though not an economist, is a very distinguished physicist, who is a monetary heretic of another kind, is much more polite than Major Douglas to his fellow enquirers. Professor Soddy writes that "he found himself . . . setting out to persecute the economists and ended, if not by becoming one . . . hopeful of ultimate reconciliation." At least he has now a more lively respect for these subtle pitfalls with which the subject abounds.

The plainest and most relevant arguments lie sometimes on the surface. Once, while watching the gamblers in Monte Carlo, I was approached by a somewhat seedy individual who touched my arm and beckoned me aside. He began to explain that he had a "system" by which with a capital of, I think, five thousand francs one could break the bank and win a million.

His system was explained and justified in a document of many pages and complicated figures, and I knew that once I entered into a detailed discussion of it I should be hopelessly lost in a maze of theories touching the laws of averages and chance about which mathematicians and philosophers have disputed everlastingly. But it was hardly necessary since one fact in connection with it seemed to me to settle its value: the system was for sale for a hundred francs. In the face of that fact I was hardly interested in his figures.

The simplest conclusion is also the truest one. It is again, not that our monetary and banking system is perfect—on the contrary it has obvious imperfections—but that its defects are difficult to remedy; that they arise in part from causes quite outside the sphere of banking—from bad fiscal policies, bad politics, war, mechanical changes, weather, an infinity of causes.

Let us examine the assumption common to most of the monetary cures, namely, that there is a permanent deficiency of purchasing power.

Money Stream Variable

Now, as already noted, most economists would accept the opinion that at certain times there is a tendency for the money stream to dry up, and for the volume of credit to decline. But they would also add that at other times there is a tendency for the value of credit and money to increase, and for a surplus to take the place of a deficiency.

Further, the devices of credit give very great elasticity to the supply of the medium of exchange, even when the basic money is gold. Bank deposits commonly created by loans play a far greater role in the money system than the actual quantity of standard money. As one writer puts it:

> "More than any other one thing, the volume of deposits appearing in the books of the great banks IS the effective volume of money in any modern community which possesses an organized banking system. There has to be added to it the quantity of notes and coin actually circulating in the hands of the public. But this quantity of notes and coin is far less a force of independent importance in the financial system than a direct outcome of the volume of bank credit which is in existence and of the uses to which this credit is being put.

There is usually a confusion in the minds of reformers between the quantity of money and purchasing power. When prices rise as the result of more money, whether credit or standard money, pari passu with the money increase, there is no increase in purchasing power. If everybody has twice as many dollars as before, but everything is twice as dear as before, the purchasing power of the community is exactly what it was originally.

Previous articles have explained the dislocations which arise when there are rapid alterations of the price level, and to avoid these dislocations we must be in a position to diminish the quantity of money as well as increase it. Most more-money enthusiasts ignore this fact. The majority of the schemes provide for ever-increasing addition to the volume of standard money, of what one might call permanent money, as distinct from the temporary money of bank credits.

Counterbalance Needed

The idea of the reformers seems to be that the amount of new money which they create will be counterbalanced by the calling into existence of goods. But if the goods are consumed and the money is not, you are bound to get an inflationary disequilibrium, a rise of prices, with all the disastrous results attached thereto that we have sketched in previous articles.

In those articles an illustration was given about meal tickets. Let us vary it a little. An institution able to provide a hundred meals a day issues a hundred tickets. Those tickets may be used by the recipients as money because they are good for a meal. But if they are to remain good for a square meal they must be cancelled when the meal is eaten. If not, if a dishonest official of the institution, receiving a ticket in exchange for a meal instead of destroying the ticket uses it as money, passing it out again, there would rapidly come a time when the institution would have to give smaller and smaller meals in order to meet the number of tickets until it would take, it might be, dozens of tickets in order to get a single square meal.

Temporary money of the meal ticket variety is indispensable to the commercial work of the modern world. But it is just as indispensable that the money should be temporary money, instead of permanent money, money which is cancelled instead of money which remains in circulation, if all sorts of dislocations are not to arise.

Until a few years ago it was believed among the more orthodox monetary reformers that the one thing needed was stabilization of prices—stability, that is, in the value of money. But even if stability is what we want, it is an infinitely more complicated business to secure it than was originally supposed. As Governor Strong, of the Federal Reserve Bank, noted in 1927, you cannot just "open a spigot when prices are declining and put a little more credit into the counterweight and raise prices, and if prices are going up, drain a little credit out of the counterweight and let prices go down." It was, as he remarked, an infinitely more complicated business than that. But the thing is further complicated by the fact that stability of the price level is quite compatible with the creation of booms which have to be paid for later by slumps—a point which will be dealt with in the next article.

Ready for Suggestions

All these problems are the commonplaces of discussion among the orthodox economists and among bankers. And far from being hostile to anyone who could contribute to the technique of monetary management, bankers and economists alike are ready to welcome any suggestion pointing the road to more effective control and management. Mr. Keynes, who has found himself so often in opposition to the bankers, declares in his very latest book that in so far as they are hostile to new ideas, it is much more from sincere scepticism than from any consideration of vested interests. "I am quite sure," he writes, "that the power of vested interests is vastly exaggerated, compared with the gradual encroachment of ideas."

And finally, we have to recognize that though a good monetary system is indispensable to good economics, the most perfect money system will not cure defects arising from bad economic policy—bad politics. The demand of every country to have an increasingly favorable balance of trade, to sell its goods to foreigners, but never buy off them, would destroy any monetary system, however, perfectly devised.

Plainly, the dislocations are economic, just as much as monetary. And not merely economic, but political and psychological. The science of society is the most difficult of all sciences and the monetary side of economics seems to lend itself particularly to confusion. "There are two things," once noted a philosopher, "which seem completely to addle the human brain: love and currency."

The very obscurity and ambiguity of some of the proposed plans are perhaps an explanation of their persistence.

Always Cropping Up

"For each supporter," writes Mr. Gaitskell, "there is an interpretation which suits his intelligence and his knowledge. For the critic there is not one but a collection of heads to be cut off. An opponent may destroy to his own satisfaction one of the interpretations, but another will appear in its place. Unless he be gifted with exceptional patience and enthusiasm, he will turn away in complete irritation long before the repertoire is exhausted."

A cynic once remarked that if you would make your doctrine immortal, make it incomprehensible, for then no one can prove that it is wrong.

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Motor Car Output Up in Great Britain

In the year ending Sept. 30, 1936, it is estimated that United Kingdom will have manufactured 50,000 more motor cars than in 1935, and 100,000 more than in 1934. Early this year, 140,000 private cars had been manufactured—an increase of 13 per cent over the same period in 1935, and 42,200 commercial vehicles — a gain of nine per cent. Officials deny the rumor that armaments manufacture has retarded production of new cars and accessories.

Comment is also made on the substantial drop in imports during 1935 following production of (V-8's) by Ford Motor Co. at Dagenham. Export trade is said to have improved considerably, trade agreements with countries such as Poland having borne considerable fruit.

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The Week in Mining

Real Progress Behind Rise of Senior Golds

But Psychological Factor Appears Strong in Unlisted Market — Value of Drill Results

In looking around from the heights to which Canadian mining markets have climbed in recent months, it becomes slightly difficult to get one's bearings, so rarefied is the atmosphere and so unfamiliar the landmarks.

Last week this column wondered if it could not discern a few danger signals in the distance. At press time this week the market had wavered slightly and shown signs of becoming uneasy. Whether this is merely the result of profit taking, and of short term duration only, or whether it heralds the painful descent cannot as yet be determined. It is sufficient excuse, however, for the exercise of caution and a look back to see just what ground has been covered.

Listed and Unlisted

IN THE current boom, both listed and unlisted stocks have vied with each other for speed in the ascent. So different are the conditions back of each rise, however, that each group must be taken separately.

As shown by the weighted index of the Dominion Bureau of Statistics below, 20 representative listed gold stocks have risen in market value from 117.6 for the week ending June 13, 1935, to 136.2 in the week ending June 11, 1936. Even the most conservative must admit that there is much to justify a higher valuation this year. At this time last year, the recently removed bullion tax still rankled in the minds of most mining investors, and the government's attitude toward the mining industry was viewed with suspicion. This year, the bullion tax is a vague memory, and the government has demonstrated that at least it will listen to the miners' point of view.

In this connection the road building policy of the federal and provincial governments has aided the bullish effect.

In the second place, the fear of a drop in the dollar value of gold has waned as each passing month brought renewed confidence that the $35 per ounce level was not in imminent danger.

Earnings, as indicated in the article on 1936 dividends published in another column, are at a record level this year, even eclipsing the 1935 previous record. Reasons for this increase are discussed in the article referred to.

Again, actual production of gold rose, in the first four months of this year, by 18.6 per cent over the 1935 level in quantity. There is every evidence that the 1936 gold production will again beat the previous year's figure by a healthy margin.

All this is definite, tangible progress, and it is only to be expected that these factors should be rereflected in the value which the public is willing to place on listed gold mining shares. Yields, as published weekly in this paper, do not indicate, on the whole, that such stocks are very far out of line.

* * *

How About Pennies?

HOWEVER, even more flamboyant has been the action of the penny stocks. Today one has to hesitate before classifying a stock as a "penny," because the next day one may see it in the four and five dollar class.

What actual progress is behind the move in this group?

There is, of course, the budget, and its clause releasing new producers from the corporate income tax for 3 years after entering production. The general attitude toward $35 gold also holds true, as does the matter of road building.

But this hardly warrants the tremendous gains made by this group. To be brief, an examination of the unlisted market must convince the unprejudiced observer that there is a lot of the psychological behind today's unlisted market, and mass psychology is admittedly an uncertain quantity.

For one thing, the public appears to be willing to pin the loftiest hopes on a few diamond drill holes. It is not even to be questioned that drill results can give a pretty good clue as to whether a property is worth investigating or not. But it is doubtful if any experienced mining man would be willing to grant that they give much more. Moreover, it is necessary to have complete drill returns, over a set distance, before they can be said to give even that.

* * *

The Fickle Drill

AN EMINENT engineer recently recalled the time when a senior Porcupine producer decided to see just how reliable a drill was. At the time, the company was drifting on an exceptionally high grade ore shoot from one of the lower levels. A drill was set up on the level above, and directed toward the ore body. The core assayed non-commercial grade. Most investors will remember the time when a British Columbia property gave the reverse example. On the strength of one or two exceptional core assays, a shaft was started and crosscutting to the "ore body" carried out. No ore body was found, and it is now generally believed that the drill had hit a high grade pocket, so small as to be impossible to locate by underground development.

The point of all this is that the public would do well not to get too far away from the old school of thought, whereby underground work was held to be the real test and drilling merely an indication, (not looking at any property in particular).

* * *

It "Gets By"

ONE of the most amazing properties in Manitoba is that of Central Manitoba Mines, about 125 miles northeast of Winnipeg. This company probably has a unique record for managing to scrape along year after year, amid all sorts of rumors to the effect that closing down was imminent.

Somehow or other, these forecasts never seem to materialize, and just as the company appears to be running out of ore, fresh ore bodies are found which enable the mill to keep operating.

Not so very long ago, the property was again reported to be in difficulties, and short on ore. Yet last week the stock was the most active on the Winnipeg market, reaching the highest price for several years. Again the property appears to have got under the tape. The reason for this activity is reported by the Winnipeg correspondent of The Financial Post to be that on the 325-ft. level in the Hope shaft, the crosscut east from the shaft cut an ore shoot of reportedly encouraging dimensions, full drift width, and of good commercial grade.

It is too early yet to determine whether the new ore shoot has long term merit or not, but the point still remains that Central Manitoba is again apparently getting by.

* * *

Labrador Gets Test

LABRADOR has remained more or less of an unknown quantity as regards minerals, but will now apparently be given an opportunity to demonstrate what merits it has, as the result of a proposed mineral survey of about 25,000 square miles. The survey will cover the western part of the colony, and will be undertaken by Weaver (Minerals) Ltd., of Toronto and Montreal. The work will be under the supervision of J. H. Colville, of Toronto, president of the recently incorporated Labrador Mining & Exploration Co. A. H. McKay, president of McKay (Quebec) Exploration Co. will be managing director.

Much of the work will apparently be done from the air, two large modern aircraft being used. Both aircraft and personnel will be equipped to undertake aerial photography and survey.

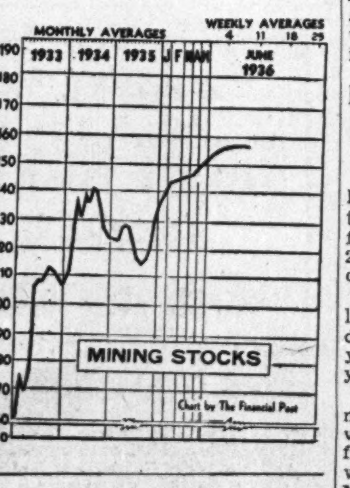
* * *

Index to Mining Stocks

THE weighted price index of 23 mining issues mounted from 156.6 for the week of June 4 to 157.6 for the week of June 11. This index for the comparable week in 1935 was 124.8.

Only 9 of the 20 gold stocks included in this group registered gains, which proved to be sufficient to continue the upward movement started 12 weeks ago. The index was 136.2 for the week of June 11, as compared with 135.0 for the preceding week and 117.6 for the corresponding week last year.

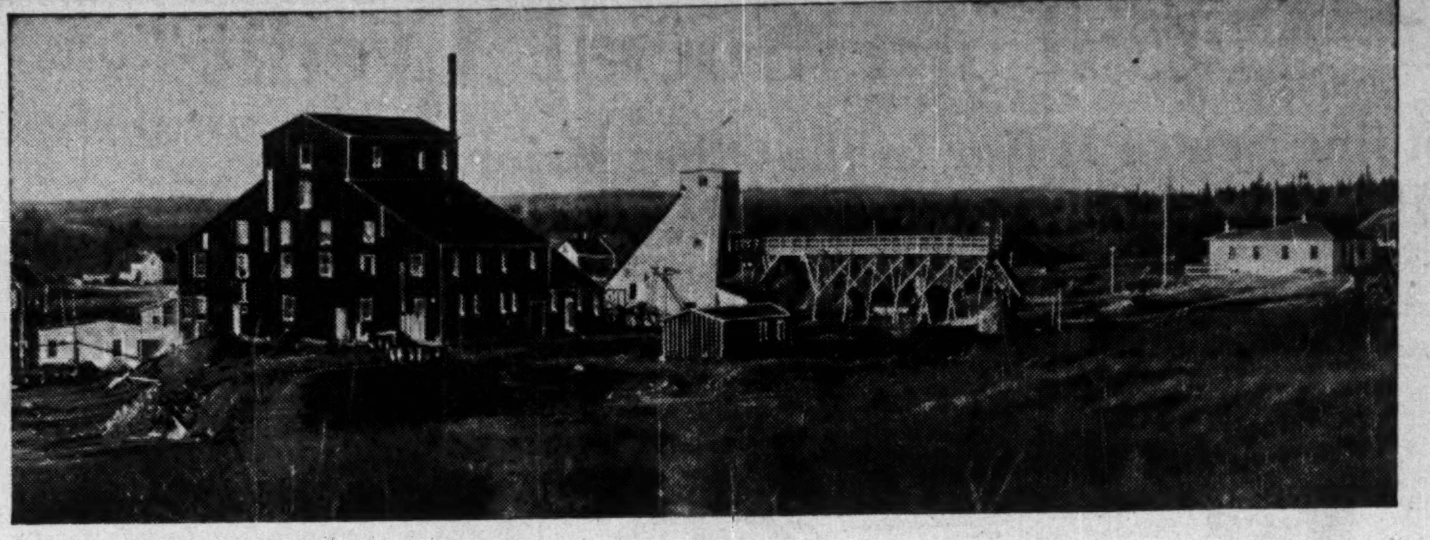
Due to a further advance in the price of Noranda, the index of the base metal issues maintained almost the same level. The index rose from 246.3 for the week of June 4 to 246.4 for this week. For the week ending June 13, 1935, this index was 156.9.



New Company Planned For Graham Bousquet

An agreement for the formation of a new company to acquire the properties of Graham Bousquet Gold Mines, in Bousquet twp., Quebec, awaits ratification of shareholders, Peter T. Graham, president reports. The new company, it is planned will be financed by McFetrick & Co. of Montreal. Performance of the agreement by McFetrick & Co. has been guaranteed by McCuaig Bros.

Under the agreement, the proposed new company would have an authorized capitalization of 3 million shares, $1 par value. Graham Bousquet would receive 1.1 million of these shares for its property. McFetrick & Co. agree to buy 500,000 shares of the stock at 16 cents per share, or a total of $80,000. Of this amount, $30,000 would be payable with the subscription and the remaining $50,000 in installments of $10,000 monthly on the first days of August, September, October, November and December, 1933. McFetrick & Co. would also have options on 900,000 shares at prices ranging from 20 to 50 cents per share.



IN SEARCH OF GOLD

One of the features of the Maritime mining industry is revival of interest in gold production. Production, which had dropped to just under 1,500 ounces in 1933, took on a new lease of life and in 1934 had jumped to 4,782 ounces. This total was almost doubled last year when output total was about 9,050 ounces. It is anticipated that in the current year production may run as high as 20,000 ounces.

In 1935 there was an average of 12 operations in different stages of progress, employing an average of 350 men. At present more than 500 men are reported in the field and considerable work is going forward. Mill capacity has been increased at two developments and two other operators have similar extension under consideration.

The above photograph shows the plant of Guysboro Mines at Goldenvale. Since last June, value of gold bullion produced at this operation has been sufficient to take care of all operating costs and return a small profit.

N.Y. Finances To Give Diana Third Chance

Creditors May Not Get Full Amount of Claims

From Our Own Correspondent

WINNIPEG.—Diana Gold Mines is to have another chance.

Lying almost on the boundary between Manitoba and Ontario, the property has had a chequered career. Originally known as Gem Lake Mines, it just about reached production stage with a small mill when the pressure of its debts forced it into bankruptcy. It was later sold for $20,000 to P. H. Fay of Toronto and within a few months was producing again.

Gold Taken Out

In the following 12 months bullion to the value of about $140,000 was taken out, but in February 1936 it again practically closed down by being put into voluntary liquidation. At that time it had accrued liabilities of $110,000, a portion of which were of a preferred character, including nearly $10,000 of wages.

A deal has now been completed whereby New York interests take over the property, paying a considerable sum down, which will go to the creditors. The exact amount was not divulged by Harold Aikins, K. C., through whom the negotiations were made, other than to say the creditors would not receive the full amount of their claims. Mr. Aikins was reticent as to the new owners, merely saying the transaction had been made through agents for New York people. It is their intention, Mr. Aikins said, to immediately survey the mine and to recommence development work.

Must Deepen Shaft

At the time the property closed down it was said that minewise it had never looked better. What appeared to be a strong ore shoot had been found on the 750 ft. level, the drift in which it was found apparently having cut the top of this shoot. Some ore was taken out by way of a winze but it was recognized that to mine it economically it would be necessary to deepen the shaft to 1,000 ft. This it is believed is the intention of the new owners. Part of the crew will leave immediately and in the meantime the mine has been kept pumped and the camp generally kept in condition by a skeleton crew.

Say Dome to Work Group in Quebec

Property Lies on Shores of James Bay — Drills Sent

From Our Own Correspondent

SUDBURY.—Advices received in Sudbury are that Dome Mines despatched from Cochrane recently two diamond drill crews and equipment bound for the company's holdings in the Eastmain River section of northwestern Quebec, and that a programme of drilling will be undertaken to prove up occurrences that have been disclosed in several months' work.

The properties are located near the shore of James Bay, along Eastmain River at a point not far from Cape Jones, Junction point of Hudson and James Bays. The ground has been worked with moderate success, it is stated. Prevailing rock structure is said to be limestone, with some pre-Cambrian structure in evidence.

Bulolo Gold Output Higher During Past Month

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging advises that gold production during May amounted to 11,196 fine ounces, as compared with 12,265 ounces in April and 10,377 ounces in May, 1935.

During the month over one million cubic yards of gravel were dredged, as against 975,000 cubic yards in April and 890,000 cubic yards in May, 1935.

Estimated net working profit last month was 7,634 ounces of fine gold, valued at $257,190 in Canadian funds. In April the working profit was estimated at $291,725 and in May last year at $251,930.

Lakeland Gold Claims Financial Agreement

M. D. Wyman, president of Lakeland Gold Mines Ltd., informs The Financial Post that a financial agreement has been made under which a "large Canadian mining company" will examine, finance and develop the property in the Kirkland Lake district. The directors will offer an arrangement to the company's creditors and they will shortly call a special general meeting of shareholders to approve and ratify the agreement.

Anderson Heads 'Peg Exchange

From Our Own Correspondent

WINNIPEG. — T. C. Anderson again heads the Winnipeg Stock Exchange as president. It is his third term. R. D. Baker is vice-president with D. L. Rosini managing secretary. Other members of the governing committee include Richard Bingham, A. B. Flett, E. W. Jackson, John McDonald, E. A. Nanton, W. J. Ralph.

A new all-time record for volume of trading was established for the year ending May 31. Mining share turnover reached a total of 4,607,466 as compared with 2,570,262 in the previous year. The number of industrial shares traded was 24,876 as compared with 14,751 for the previous year.

Greene Stabell Boosts Output

Results Reported From Enlarged Development Campaign

A large development campaign at Greene Stabell Mines is giving good results and the company has stepped-up bullion production recently, according to official advice. The increased output is credited to the better grade ore being obtained from the new underground workings. C. F. Johnston, mine manager, states it is hoped mill feed can be obtained entirely from the new area within the next ten days. Development in the old section of the mine will be abandoned for the present in order to concentrate on the high-grade section.

From the 400-ft. level, the winze is now down some 100 ft. in commercial ore. The raise above this level has advanced over 50 ft. in similar ore material. From the west drift, the vein is from 3 to 4 ft. wide of commercial ore, showing considerable zinc blende which has been indicative of gold values at this property.

Officials plan to sink the shaft another level.

McLellan Long Lac Now Offering Stock

Shares of McLellan Long Lac Gold Mines, recently incorporated, with a gold prospect in the Little Long Lac area, have recently been optioned by a Toronto and New York group and a public offering of 200,000 shares made at 25c. per share by J. S. Forgie & Co., Toronto, which company reports that the offering has been completely taken up.

Capitalization will consist of 3,000,000 shares authorized stock of $1 par value. Of these, 1,250,000 shares have been issued for properties to be held in escrow subject to release by the Ontario Securities Commission; 200,000 shares of the remaining treasury stock have been firmly underwritten and constitute the present market offering; a balance of 1,550,000 shares remain in the treasury for further financing and it is understood that 1,175,000 of these shares are under option to the present group at prices to net the treasury $549,000.

The company's property consists of two groups of claims. The north group of 12 claims owned outright are located close to Hutchison Lake approximately 6 miles northwest of Little Long Lac Gold Mines.

The south group, upon which the company is concentrating, consists of 8 claims adjoining Little Long Lac Gold Mines. These claims are held on option with monthly payments being arranged over 3 years until a total of $50,000 has been paid. This property was previously operated by Longacre Long Lac Gold Mines which conducted a drilling campaign in the summer of 1934. Results at upper levels were reported to be favorable but inconclusive at depth and work was halted pending further financing.

The present company now plans to conduct either a geophysical survey or a diamond drilling campaign in the summer.

Officers and directors are Murdoch L. Martyn, Toronto, pres.; Harvey C. Orton, Chicago, vice-pres.; Ross F. McLellan, Harriston, Ont., sec.-treas.; L. J. Duthie and A. D. Clark, Toronto, directors.

Thompson Cadillac Issue Optioned Stock

From Our Own Correspondent

MONTREAL.—An additional 15,000 shares of Thompson Cadillac Mining Corp. have been called for trading on the Montreal Curb market. These shares were taken up under an option covering 150,000 shares. A total of 335,000 shares now remain under option, while a total of 1,285,916 shares are outstanding apart from shares held under escrow.

Seeking Money On Many Claims At Athabaska

Area Continues to Serve Up Geological Surprises

From Our Own Correspondent

REGINA, Sask.—Reports from the Athabaska gold field state many of the poorly financed prospectors are seeking money for development or else outright sale of their holdings. They have reached the point where they can no longer carry on and need more than a grub-stake.

As quite a large area has been staked out it is probable some good properties may be available, also some that might be classed as a speculator's gamble.

Four new discoveries are reported to have been made along ridges running in a north-easterly direction about a mile north of the townsite.

All are said to be on previous stakings. This more than likely means that ground staked during early snows last year, now uncovered, is revealing minerals.

Yellow, White, and Green Gold

The Athabaska field is continuing with surprises. The latest is discovery of yellow, white and green gold together on one of the Mild claims about a mile north and east from Goldfields. The gold was found in a peculiar quartzite formation with a cleavage somewhat like feldspar but is regarded definitely as being something else than feldspar. Exact nature of the rock is not known.

Gold has also been found in chlorite schist intruded by quartz, which is also regarded as being out of the ordinary.

On the eastern side of the province in Amisk Lake region a crew has commenced operations on the Gold Streak group under Charles E. Struthers, an official.

Ossian Prospects On New Sections

Ossian Gold Mines reports that the diamond drilling carried out on the company's property in Ossian Township north of Larder Lake, Ont., failed to check former results, and as underground workings had failed to reveal the presence of ore values of importance the company has decided that the best procedure will be to prospect and trench the surface in the hope that something of importance may be found outside the limits of the present workings. The company will therefore do some surface prospecting during the coming season, this work having already started.

On the company's recently-acquired claims in Deloro Township, Porcupine area, surface prospecting will be done during the coming month.

F. Jowsey Options Gold Hill Property

From Our Own Correspondent

WINNIPEG.—Fred Jowsey has acquired the option held by B. M. Stitt, on the Gold Hill property at Cranberry Portage. This follows an announcement that finances had been arranged for development work on the property on which preliminary surface work disclosed a strong break with high values in gold. Mr. Stitt was former federal member for Churchill.

Presdor Gold Mines—has been formed to develop a group of 3 claims in the Porcupine district adjoining Preston East Dome on the south. F. O. Tidy is president of the company which has an authorized capitalization of 2.5 million shares, $1 par value. Drilling is planned.

Darwins' Mill Over 55 Tons

Dr. M. H. Frohberg, mine manager at Darwin Gold Mines, in reporting to Toronto officials, states the daily mill tonnage at this Michipicoten producer has been stepped up to over 55 tons.

Development results on the sixth level north indicate the downward extension of the 550 ore shoot, he states. Drifting on the east-west vein south on the sixth level has exposed 50 ft. of high grade ore across commercial widths. The south drift on the seventh level is continuing in lower grade quartz. Crosscutting is under way on the eighth level.

Gold Eagle Reports High Grade 500 ft.

Stock Has Sharp Rise on Receipt of News

Drifting on the 500-ft. level at Gold Eagle Mines exposed ore assaying 8½ ounces or $297.50 a ton, according to word received from the property by Charles St. Paul, vice-president. According to the wire, assays were made only over a five ft. section of the shear, which appears to be at least 15 ft. wide, Last progress report on this section gave average values of slightly over $70 per ton across a width of 4.8 ft. and for a length of 160 ft. The latest assays were made 32 ft. further on in the shear.

Simultaneously, work on the 250-ft. level is continuing in high grade, the latest face being at 339 ft. with assays running 2.6 ounces over 4 ft.

This news caused the stock of Gold Eagle, which is unlisted, to rise to a high of $2.30 bid, $2.35 asked.

Recently a syndicate headed by Bain, Pooler & Co. purchased sufficient treasury stock to supply development funds to the mill stage, if development warrants.

Another Algoma Veteran To Be Given New Chance

From Our Own Correspondent

SUDBURY. — Another old-time Algoma district mine has been reopened and given another chance. The former Havilah, or Ophir mine, about 12 miles from Bruce Mines, on the north shore of Lake Huron, has been taken over by North Huron Gold Mines, and current efforts are being directed to exploration of the main vein which has a known length of 1,300 ft. and which is said to be about 16 ft wide most of that distance.

Years ago the mine was credited with production of approximately $700,000 worth of gold bullion from a 10-stamp mill, in spite of the fact that extraction results were far from being anywhere near the record of the gold mills of today. Former owners sunk a shaft to 100 ft., and considerable lateral work was done.

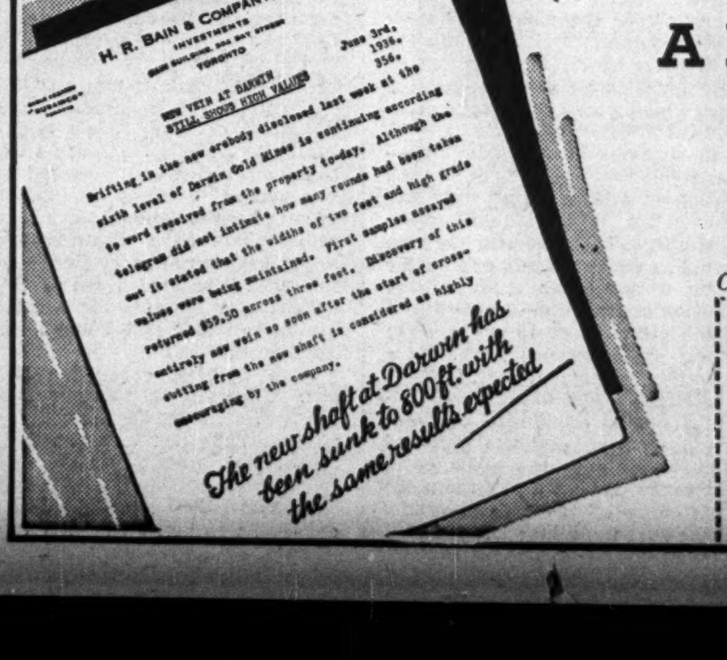
McFetrick Co. Underwrite Stock of Pandora Cadillac

In connection with a brief article dealing with the financing of Pandora Cadillac, successors to Canadian Pandora Gold Mines, appearing in a recent issue of The Financial Post, it was stated that C. A. Gentles & Co. and McCuaig Bros. of Montreal were interested in this financing.

The Post is officially informed that the above firms are participating with the underwriters, namely McFetrick & Co. of Montreal.

NORTH STAR OIL DIVIDEND

North Star Oil has declared a dividend of 8¾ cents a share on the 7 per cent cumulative preferred shares. It will be paid on July 2 to shareholders of record June 15, 1936.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356.

NEW VEIN AT DARWIN STILL SHOWS HIGH VALUES

Drifting in the new orebody disclosed last week at the sixth level of Darwin Gold Mines is continuing according to word received from the property to-day. Although the telegram did not intimate how many rounds had been taken out it stated that the widths of two feet and high grade values were being maintained. First samples assayed returned $59.50 across three feet. Discovery of this entirely new vein so soon after the start of crosscutting from the new shaft is considered as highly encouraging by the company.

The new shaft at Darwin has been sunk to 800 ft. with the same results expected

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Dispute Involves Hollinger Group

Seek Restoration of Ramore Properties or $75,000

From Our Own Correspondent

COCHRANE.—Action for the recovery of the Ramore property being developed by Hollinger, or, in the alternative, damages in the amount of $75,000 on the grounds of fraud was launched with the filing of a statement of claim in the district court house here.

Edouard Ross, Ramore; Frank Tremblay, Kirkland Lake, and Baptiste David, Timmins are named as plaintiffs, while Hollinger Exploration Co., Hollinger Consolidated Gold Mines, Harry J. Fine, Patrick J. Brennan, W. J. Hanley, John B. Holden, and Percy C. Finlay are defendants. Sittings are set for June, 23.

Ross, Tremblay and David are named as optionors of the Ramore property and Hollinger Exploration Co. optionee, under an agreement dated October 30, 1933, which provides that in consideration of $3,000 the optionors grant to the optionee the exclusive right to purchase the property for $150,000. Plaintiffs charge that H. J. Fine, while acting as their solicitor, failed to disclose that Hollinger, some time after Sept. 23, 1933, expressed willingness to take an option of the property for $225,000 purchase price.

On Sept. 23, 1933, Brennan secured by written agreement, the plaintiffs charge, what purported to be an option from them to purchase the properties for the option price of $150,000 of which $1,500 was to be paid in cash. A cheque issued by Brennan was returned from the bank marked "Not sufficient funds," it is alleged.

The plaintiffs also charge secrecy in connection with an agreement dated Oct. 23, 1933, by which W. J. Hanley, as solicitor for Brennan, was to receive $5,000 out of profits made by Brennan for the resale of the property to Hollinger, Brennan was to receive a net profit of $63,500 and Fine was to receive $5,000 out of Brennan's resale profits, it is charged.

In the statement of defense all parties deny any imputation of fraud, and furthermore Brennan claims that a matter of title had to be cleared up before the original agreement negotiated by him with the plaintiffs could be consummated. Brennan claims he then entered into an agreement with Fine, plaintiff's solicitor, to take necessary action to clear up the title and paid Fine $5,500 for this service.

Hollinger denies any knowledge of any agreement between Brennan, Fine and Hanley in connection with the distribution of the $75,000 they agreed to give Brennan as his share of the profits.

New Shaft of Lebel Oro Down 100 ft. at Long Lake

From Our Own Correspondent

SUDBURY.—Lateral work at the first level of the Long Lake mine of Lebel Oro Mines, near Sudbury, should be under way early in July, according to the progress being made by shaft-sinking. The new two-compartment shaft is now about 100 ft. deep on its way to 160 ft., the first objective. When that depth is attained, it is planned to start lateral work on the first level. In the meantime more drilling will be done, one programme being to explore below the fault zone and the other to probe the old workings for ore that was left in previous operations and can readily be taken out and milled when the 200-ton unit is started.

Latest word of Lebel Oro's undertaking in the East Kirkland Lake area is that good progress is being made in the work of dewatering the workings, preparatory to a diamond drilling campaign from the 200-ft. level. The property is located next to Bidgood Kirkland, and officials hope to pick up extension of the ore zone from the Bidgood.

Big Long Lac To Try Again

Will Work New Sections on Original Property

In view of the renewed activity in the Long Lac camp of northern Ontario, directors of Big Long Lac Gold Mining Co. have decided to do further work on the original property consisting of 16 claims on the west shore of Big Long Lac.

Work was done on this property during the summer of 1934, but, while some encouraging results were obtained, nothing to indicate a commercial ore body was found. On the advice of the company's engineers, work was discontinued. Finances have now been arranged to do further work on new sections of the property, which is equal to approximately one square mile. Murdock Mosher has joined the board of directors as vice-president in charge of operations.

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See $75 Millions Paid in Dividends By Mines in 1936

Preliminary Estimate Indicates Another Record-breaking Year

SIX NEW GOLDS

Shareholders of Canadian mining companies will this year receive the record breaking figure of nearly $75 millions in dividends. The Financial Post estimates, from a compilation of payments to date.

To date, dividend payments and declarations for 1936 total $40,151,166, as compared with $59,107,965 for the entire 12 months of 1935.

The tremendous increases can be seen from the fact that as recently as 1932 payments from metal mines in Canada totalled only $23 millions.

Three factors have been responsible for the record breaking 1936 figure. Improved earnings from the base metal mines, the fact that the new gold producers born under $35 gold are just now starting to be heard from as dividend payers, and thirdly, the improved earnings position of the established gold producers.

In the base metal group, International Nickel, Consolidated Mining & Smelting Co., Hudson Bay Mining & Smelting Co. and Noranda are the biggest dividend payers. Falconbridge Nickel is a comparatively small but steady dividend payer in this group. International Nickel has already shown that 1936 will be a record breaking dividend year for this company. On its common stock, this company has already paid 55 cents per share as compared with a total of 75 cents per share in 1935. Indications for higher dividends for the next two quarters of the year are generally conceded as being good.

Higher Metal Prices Aid

Consolidated Mining & Smelting Co., lead-zinc producer of British Columbia, is also shaping up for higher yields on its split stock. Higher copper prices are expected to enable Noranda Mines to increase its payments before the end of the year. Granby Consolidated is, as will be seen from the table below, making higher return on capital in the current year, although, of course, these payments cannot be classified as dividend payments proper.

In the gold group, 6 new dividend payers have already appeared in 1936. Gold mines which made their debut in 1936 are Cariboo Gold Quartz, Ymir Yankee Girl, Sheep Creek Gold Mines, Little Long Lac, Pickle Crow, and Beattie. The fact that of the six, three are British Columbia properties, as compared with two from Ontario, and one from Quebec, reflects the strides made, despite obstacles, by the Pacific province.

Lake Shore Mines, which, among the golds, is by far the greatest dividend payer, has placed itself on a regular quarterly basis of $1 per share, which may forecast a bonus even on this basis. Wright Hargreaves, Macassa, McIntyre, Dome, and the other standbys are all earning their dividend requirements with a comfortable margin.

Holding Companies Share

As might be expected, the holding companies are having a good year. Ventures Ltd. has declared a dividend for July of this year, and another one for early in 1937, both payments being at the rate of 2½ cents per share. Anglo-Huronian has maintained its rate set last year of 20 cents per annum. These payments are, of course, duplicated in the dividends of producers.

The following table shows dividend payments, and dividend declarations made this year to date. That the list will be added to before the end of the year is almost a certainty. In any event, indications are that dividends, which more truly than any other yardstick measure the true growth of the mining industry, will go a long way to justify the faith and confidence being shown in the Canadian mining industry, not only by Canadians, but by shrewd investors in other countries.

Dividends Paid in Calendar Years

Mine:	Main product	Paid in 1936 to date* $	Paid in 1935 $
British Columbia:			
Bralorne Mines	gold	372,000	300,000
Cons. M. & S.	lead-zinc	......	4,235,738
Cariboo Gold	gold	98,998	......
Highland Lass	silver-lead	9,241	52,369
Granby Cons.†	copper	4,500,007	2,250,000
Howe Sound‡	copper	947,582	1,918,854
Pioneer Gold	gold	1,051,050	1,401,400
Premier Gold	gold	600,000	850,000
Reno	gold	219,157	255,683
Ymir Yankee Girl	gold	44,500	......
Sheep Creek	gold	37,500	......
Manitoba:			
Hudson Bay M. & S.	copper-zinc	1,378,986	2,757,973
San Antonio	gold	162,093	470,760
Ontario:			
Cobalt area:			
Coniagas	silver	95,788	95,788
Nipissing Mines	silver	300,000	150,000
Porcupine area:			
Buffalo Ankerite	gold	70,168	140,336
Dome	gold	3,336,669	3,813,236
Hollinger	gold	2,214,000	4,428,000
McIntyre	gold	798,000	1,596,000
Kirkland Lake area:			
Kirkland Lake Gold	gold	157,174	157,174
Lake Shore	gold	4,000,000	8,000,000
Macassa	gold	267,607	396,710
Sylvanite	gold	329,950	494,925
Teck-Hughes	gold	1,682,500	1,922,858
Toburn	gold	74,000	148,000
Wright-Hargreaves	gold	2,475,000	3,300,000
Sudbury area:			
Falconbridge	nickel	500,551	997,670
Int'l. Nickel, common	nickel	8,021,214	10,935,091
Do., pref.	nickel	1,450,424	1,933,899
Northwestern Ontario:			
Howey	gold	......	250,000
Little Long Lac	gold	366,601	......
Pickle Crow	gold	300,000	......
Quebec:			
Beattie	gold	239,410	
McWatters	gold	93,025	93,025
Noranda	copper-gold	2,799,715	4,479,544
Siscoe	gold	507,107	972,329
Miscellaneous:			
Anglo-Huronian		250,521	250,521
McKinley		28,097	56,194
Northern Canada		50,000	50,000
Coniagas		95,788	95,788
Ventures		196,743	......
Kerr Lake		30,000	60,000
Grand total, Canada		40,151,166	59,107,965

*Including declarations. †Return of capital.
‡Includes profits from properties outside Canada.

Macassa Values See Improvement

Values and widths on the 3,000-ft. level at Macassa Mines, Kirkland producer, are showing improvements over earlier reports, Robert Bryce, president, told shareholders at the annual meeting of the company recently. Drifting east and west of the crosscut had opened up 1,100 ft. with the vein showing widths of 7.5 ft. and average grade about $18 per ton. There still remain about 850 ft. before reaching the boundary of Kirkland Lake Gold, and 900 ft. before the western boundary of Macassa would be reached.

Preliminary work on the winze, projected from the 3,000-ft. level, had been completed and actual sinking would be under way shortly.

Mining Companies Newly Formed

Amcoe Mines — Ont. incorp., May 14, 1936. H.O. Fort Erie. Author. cap. $3,000,000, par $1.

Aquaris Porcupine Gold Mines — Ont. incorp., May 14, 1936. H.O. Toronto. Author. cap. $5,000,000, par $1.

Atlas Mines—Que. incorp., May 2, 1936. H.O. Montreal. Author. cap. $99,000; par $1.

Auriac Mines — Que. incorp., May 19, 1936. H.O. Montreal. Author. cap. $3,000,000; par $1.

Belleterre Mines—Ont. incorp., May 19, 1936. H.O. Toronto. Author. cap. $1,500,000; par $1.

Bowes Gold Mines—Que. incorp., April 1, 1936. H.O. Rouyn, Que. Author. cap. $2,000,000; par $1.

B.P. Exploration—B.C. incorp., May 7, 1936. H.O. 1320 Marine Bldg., 355 Burrard St., Vancouver. Author. cap. 1,000 shares of $10 each.

Braeburn Gold Mines—Ont. incorp., May 15, 1936. H.O. Toronto. Author. cap. $3,000,000; par $1.

Christie Mining Syndicate—Que. incorp., May 1, 1936. H.O. Christie twp., County of Gaspe. Author. cap. $49,800; par $1.

Durbar Gold Mines—Ont. incorp., May 8, 1936. H.O. Toronto. Author. cap. $2,000,000; par $1.

Eagle Placers — B.C. incorp., May 26, 1936. H.O. 414 Standard Bank Bldg., 510 Hastings St. W., Vancouver. Author. cap. $75,000, divided into 150,000 shares of 50 cents each.

Gariepy Gold Mining — Que. incorp., May 11, 1936. H.O. Montreal. Author. cap. $20,000; par $1.

Golden Crown Mines—Incorp. in State of Washington, registered as an extra-provincial company, May 4, 1936. H.O. in B.C. Grand Forks. Paid-up capital is $50,000.

Gold Valley Mines—B.C. incorp., April 27, 1936. H.O. 417 Vancouver Block, 736 Granville St., Vancouver. Author. cap. $1,500,000 divided into 3,000,000 shares of 50 cents each.

Hedley Chief Mines—B.C. incorp., May 15, 1936. H.O. 417 Metropolitan Bldg., Vancouver, B.C. Author. cap. $1,250,000 divided into 2,500,000 shares of 50 cents each.

Kenricia Gold Mines — Ont. incorp., April 29, 1936. H.O. Toronto. Author. cap. 2,000,000 shares, no par value.

Kootenay Ore Hill Gold Mines—B.C. incorp., June 1, 1936. H.O. 609 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap. $1,500,000, divided into 3,000,000 shares of 50 cents each.

Lakman Gold Mines—Ont. incorp., May 1, 1936. H.O. Toronto. Author. cap. $3,000,000; par $1.

McLellan Long Lac Gold Mines—Ont. incorp., May 5, 1936. H.O. Toronto. Author. cap. $3,000,000; par $1.

Metals Recovery—B.C. incorp., May 23, 1936. H.O. 722 Metropolitan Bldg., 837 Hastings St. E., Vancouver. Author. cap. $100,000; par $1.

Mohawks Porcupine Gold Mines—Ont. incorp., May 4, 1936. H.O. Toronto. Author. cap. $3,000,000; par $1.

Mooshla Gold Mines—Ont. incorp., May 15, 1936. H. O. Toronto. Author. cap. $3,000,000; par $1.

New Augarita Porcupine Mines — Ont. incorp., May 13, 1936. H.O. Toronto. Author. cap. $3,000,000; par $1.

Northfield Mining—Dom. incorp., May 5, 1936. H.O. Toronto. Author. cap. $200,000 shares, no par value.

Pickerel Mines — Ont. incorp., May 2, 1936. H.O. Toronto. Author. cap. $50,000, divided into 1,000 shares of $50 each.

Plaindor Mines—Quebec incorp., April 4, 1936. H.O. Montreal. Author. cap. $3,000,000; par $1.

Power & Mines—Que. incorp., April 29, 1936. H.O. Montreal. Author. cap. $303,353; par $1.

Painted Hills Mines—Registered in Alberta, May 18, 1936. H.O. Calgary. Author. cap. $7,760; paid-up $1,731.

Roy Chibougamau Mining—Que. incorp., April 22, 1936. H.O. Quebec City. Author. cap. $229,000; par $1.

Senneterre Prospectors — Que. incorp., May 13, 1936. H.O. Senneterre, P.O. Author. cap. $190,000; par $1.

True Fissure Mines—Que. incorp., May 13, 1936. H.O. Montreal. Author. cap. $3,500,000; par $1.

Western Nickel Corp. — B.C. incorp., April 30, 1936. H.O. 809 Stock Exchange Bldg., 475 Howe St., Vancouver. Author. cap. $2,000,000, divided into 4,000,000 shares of 50 cents each.

Charter Surrendered

Graham-Bosquet Mining—Making application for surrender of charter—Quebec Gazette, May 9, 1936.

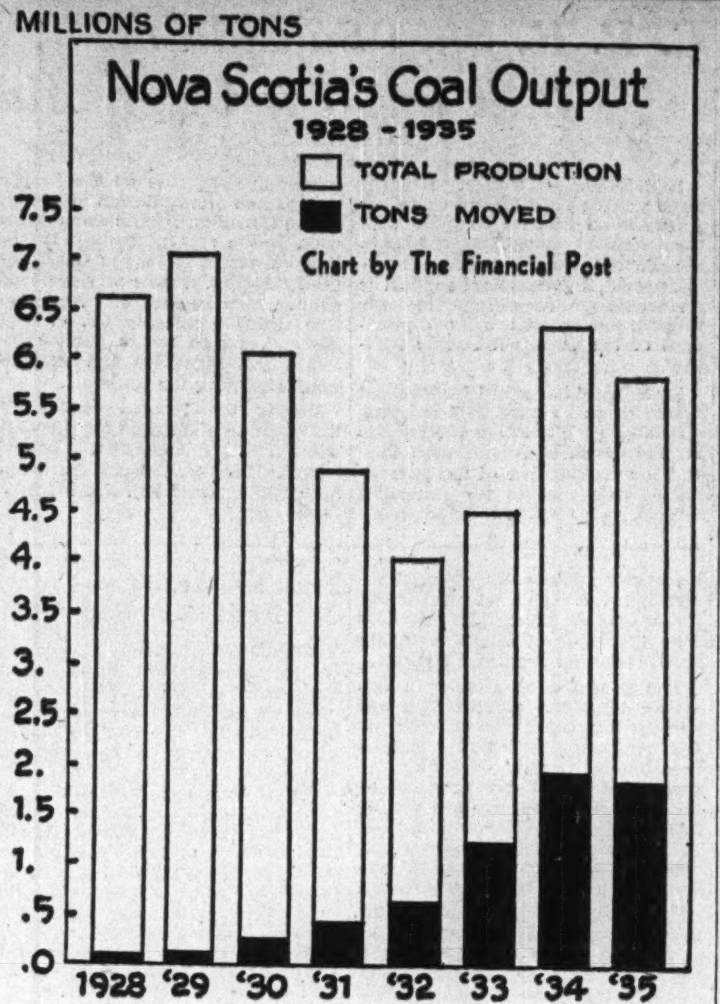
Change of Name

Gold Valley Mines — H.O. Vancouver, will apply for approval to change its name to "Dividend Gold Mines."—B.C. Gazette, June 4, 1936.

Magnet Mines—Vancouver. Will apply for approval to change its name to "Melvin Consolidated Mines."—B.C. Gazette, May 28, 1936.

Change of Head Office

Pamour Porcupine Mines — By-law passed, March 31, 1936, changing the head office of the company from Montreal to Pamour, Ont.—Canada Gazette, June 6, 1936.



N. S. WIDENS MARKETS

As shown by the chart above, Nova Scotia coal operators are, against definite obstacles, widening the markets for their products in Central Canada. It is noticeable that, while total output has not yet regained the 1929 level, the coal moved, or, in other words, shipped to other provinces, has increased sharply since then.

Mining Enquiries

Preston East Dome

What is the story behind Preston East Dome's rise? A brief analysis would be appreciated.

Preston East Dome Mines owns property directly south of the Dome Mines in the Porcupine area. The property was idle for some time. New York funds were supplied the company in 1934, and operations resumed. Drilling has given very encouraging results, and has indicated good width and promising values. The new development has been on the north end of the property. To date, width of 80 ft. and a length of about 500 ft. has been indicated, although the drilling programme has not been completed. In view of the limited amount of drilling done to date, the market in our opinion is fully discounting the promising indications revealed by work done to date.

Oklend Gold Mines

We would be glad of a report on Oakland Gold Mines, which we believe is in the Little Long Lac area of Ontario.

By "Oakland Gold Mines," we presume you refer to Oklend Gold Mines, whose property is north of Hard Rock, in the Little Long Lac district. Most of the company's property is under water, and the company, last winter, did a considerable amount of drilling through the ice. This summer the company plans to continue this drilling from a scow. Work done to date has been more or less favorable, but has not indicated any definite vein system. It has given some ore indications, and the formations are favorable. Oklend is justfied at least in hoping that MacLeod-Cockshutt and Hard Rock conditions continue to its property, which is on the line of strike. The company is in good hands, and last fall reported current assets of $100,000 and current liabilities of $6,500. Of an authorized capitalization of 3 million shares, 2.3 million were outstanding at that time.

Barry Hollinger

I have noticed considerable activity in the above stock. Yet all the reports I have read in The Financial Post in the past few years have been anything but optimistic. I hold 1,000 shares and was wondering if it would be advisable to let them go at present prices, although it would mean a loss of 50 per cent.

The facts regarding Barry Hollinger expressed in The Financial Post and referred to by you in your letter of June 2 have been amply justified by the fact that all operations at this property have been suspended. The property at Boston Creek, south of the Kirkland Lake area, appears to be a complete washout, and there is little chance of resuming.

However, Dr. Herbert Greene, who held options on an undeveloped property at Matheson, has turned this property over to the company, and while work has been of a preliminary nature only, the property appears to warrant further development.

You will find in The Financial Post of June 13 an article dealing with current developments at this property. The recent activity in Barry stock is due entirely to this Matheson development. We refer you to the article mentioned above.

Porcupine Crown

I have been advised to buy some stock in Porcupine Crown Mines, and will not do so until I have heard from you as to the merits of the proposition and its chances of success. Where is its head office?

Porcupine Crown Mines, with head office at 1113 Canada Permanent Bldg., Toronto, is a holding company at present financing developments of 31 claims in Chester Township, Sudbury district, Ontario, handled by two subsidiary companies—Chester Gold Mines and Gomak Mines Limited. Work has centered on the Gomak property in which Porcupine Crown has a 90 per cent interest. Here a 25-ton mill has recently come into production. R. D. Jones, the company's consulting engineer, has estimated that one ore shoot 200 ft. long over mining widths of 5 ft. to a depth of 15 ft., and with average assays of $25.81 per ton, has indicated approximately $50,000 ore in sight. Apart from this rather rough-and-ready estimate, no concise estimate as to ore reserves has been made. The property remains a speculation, and it is unlikely that present production will do much more than finance further development of the property. The company has a rather large capitalization of $4 millions in $1 par value stock, of which $3,189,055 has been issued. No financial statement has been published as yet, as far as we are aware.

Buffalo Canadian Gold

I hold some stock in Buffalo Canadian Gold Mines, but have not seen much news about developments at the property, which I believe is in Quebec. I would be glad of some information.

Buffalo Canadian Gold Mines owns 18 claims in Swayze Township, Ontario, and 18 claims in the northwest corner of Rouyn Township, Quebec. Work was suspended on both these properties after considerable exploration, and at the present time the company's main interest appears in its holdings in LaRoche Mines, which are exchangeable for 105,600 shares of Delnite Mines Limited, controlled by Sylvanite. Delnite Mines is a fairly promising prospect in the Porcupine district of Ontario.

Siscoe Gold Mines

Some significant figures on Siscoe Gold Mines would be timely to one who is considering this stock as a possible buy.

Siscoe Gold Mines, with a producing property in the Harricana district of Quebec, showed a net profit after all charges of $1,062,551 in 1935, making earnings per share 23 cents, as compared with 26 cents in 1934. The decrease is accounted for by increased taxes, legal costs and development expenditures. The present dividend rate is 5 cents quarterly, in addition to which a bonus of 1 cent was declared payable on March 14, 1936. Ore reserves stand at 383,217 tons—a comfortable increase over the 1934 figure. The ore on this property is inclined to be erratic, but when located, high grade. In the three months ended March 31, 1936, the company earned 6 cents per share, with an average recovery of $14.77 per ton. Siscoe Gold is, as you can see, a fairly small producer, but the company is in good hands and operations have been satisfactory.

Holdsworth Gold Mining Co.

I have found some shares in Holdsworth Mining Co. and was wondering if they are of any value or any potential value. I have not heard from the company for some time.

Information on our files indicates that the company referred to by you as "Holdsworth Mining Co. Ltd." is the Holdsworth Gold Mining Co., whose property was in Township 28, District of Algoma, about 2 miles from the railway at Hawk Junction, Ontario.

This property was one of several groups optioned by Soocana Mining Co. with head office at 450 Queen St. E., Sault Ste. Marie, Ontario. At latest reports, development work had been concentrated on deepening the shaft on the Holdsworth group. The Holdsworth Company, according to information on our file, have estimated ore reserves at 20,000 tons averaging .57 oz. gold per ton. Finances for continued development work are being supplied by directors of Soocana.

When Soocana Mining Co. took over the Holdsworth Gold Mining Co. property, 200,000 shares were issued to Holdsworth for its property.

May Spiers Gold

I have been strongly urged to buy some stock of May-Spiers Gold Mines and would like to have one of your brief analyses before doing so. Where is the property and what is the background of the company?

May-Spiers Gold Mines is a prospect on which a shaft is shortly to be sunk for purposes of underground development. The property lies in the Red Lake district of Ontario, and immediate plans call for the sinking of a shaft to 350 ft. and the opening-up of 2 levels. Prior to this decision, the property had been drilled and a vein length of about 220 ft. with widths ranging from 2.8 ft. to 8 ft. and values from $17.50 to $41.75 were indicated. The property is probably a speculation, although, of course, too much reliance cannot be placed on drill results. In addition, the promotional end of this company has not been handled in a manner to inspire any particular confidence. The company has an authorized capitalization of three million shares $1 par value.

Treasury Gets Millions As Result of Campaign

(Continued from page 1)

the government offices as many as five times in different estates. This was an under-statement, because some of them were used to get exemption from estate duties as many as 12 times, according to The Financial Post's information.

The plain inference in statements by government officials is that the duty-free bonds were swapped from one estate into another, or even borrowed or rented, and at times with great rapidity. Mr. Hepburn appears to imply that one Toronto investment man was renting succession duty-free bonds or at least he made a business of procuring them to be included in estates of persons about to die. The man to whom Mr. Hepburn refers is understood to have left Toronto and gone for a visit to the United States and apparently has not returned to Canada.

Use of Bonds Legal

Use of succession duty-free bonds to escape taxation is, of course, a legal evasion. The treasury, however, considers it a "racket" when bonds appear for exemption again and again. So steps are being taken to redeem the duty-free issues.

Already $1 million of these outstanding in 1935 have been bought and cancelled. "Extra" money collected by the government in succession duties is being used whenever possible to buy the bonds in the open market. This will naturally prevent use of duty-free bonds in future estate settlements and will tend to improve future collections of succession duties.

Return From London

Duty-free sterling bonds are now being attracted from London to Ontario because of the dual exemption from succession duty and from Ontario income tax. The issues are $1,547,175 of 4's, due 1947, and $834,412 of 4½'s, due 1965.

It is understood that several blocks of these sterling issues have recently been snapped up by Ontario buyers. The government is also interested in buying back these bonds if they appear on the market.

Authority for Redemption

Strangely enough, legislation to permit duty-free bonds to be taken out of circulation was passed in 1925 but was hardly used at all until after the Hepburn government was elected. Only about $200,000 of duty-free bonds are known to have been retired between 1925 and 1934. Mr. Hepburn states that it is difficult to believe that the bonds were ever owned by some estates or to find out whether they were rented to executors by brokers to defraud the provincial treasury.

The 1925 amendment to the Succession Duty Act permits the provincial treasurer to require that duty-free bonds be paid into the treasury as duty, notwithstanding any contrary provisions in the will of the deceased. Bonds so received by the treasury may be valued at the market price, at cost, or at what price the surrogate court may determine.

Treasury officials are now acting on this statute and are taking the duty-free securities out of circulation when they appear in the holdings of an estate. No explanation has been forthcoming why former governments that passed the legislation and left it on the books did not use it.

May Exempt Par Only

Such bonds may become of less value soon as the Succession Duties branch apparently has adopted the view that it has not the right to value the bonds at more than the par value, which is the actual debt due by the province. Such a ruling may be applied to a $500,000 estate now under valuation. The market value or the agreed-on price has been higher than par value. For example, in the estate of the late W. G. Gooderham recently the market value was 21 per cent higher than the par value and made a difference of $173,663 in size of estate.

When the estates are being valued for duty, these bonds are included in the total value of the estate even though they themselves are free from succession duties. This is necessary so that the officers of the department may determine the aggregate value and therefore the tax bracket in which the estate must be dealt with. Then they are deducted to find the amount taxable.

Careless Administration

Admittedly it would not have been possible for one estate after another to make use of duty-free bonds had treasury officials taken active measures to prevent it. Sometimes the bonds were not actually produced for official examination by the treasury and in some cases even the numbers were not recorded.

The extent to which duty-free bonds were used has been emphasized by the government on several occasions. Mr. Hepburn says that treasury investigations have shown that executors in some estates scrambled for duty-free bonds when the decedent was on his death bed; that some executors actually used stimulants to keep their "dear ones" alive while they corralled duty-free bonds to put in safety deposit boxes.

In investigating the topic for The Financial Post, I am informed on the most reliable authority that in some cases quick releases of duty-free bonds were given to certain estates so that they could be used in other estates where the Grim Reaper was on his way.

Undesirable Issues

That duty-free bonds are undesirable to the province appears to have been recognized by the Conservative government in 1925 when the Succession Duty Act was amended to permit enforcement of payment of taxes in duty-free bonds.

Similar recognition of the undesirable character of duty-free bonds was given by the Drury "farmers" government in 1920. It will be recalled that at that time a deal was arranged with Aemilius Jarvis, Toronto bond dealer, to go to England and buy in duty-free bonds so that the province would be able to reduce this loophole for tax evasion.

Mr. Jarvis bought $8.9 millions of the duty-free issues at a cost to the province of only $6.8 millions. This was the largest block ever redeemed in one fell swoop and undoubtedly has saved for the province large succession duty revenues that otherwise might have been evaded.

Jarvis Case

Paradoxically, this deal that has saved the province immeasurable sums resulted in a jail sentence and a heavy fine for Mr. Jarvis. He made a much larger profit than expected, which has been attributed largely to wide fluctuations of sterling exchange at the time of the transaction.

Ever since, Mr. Jarvis and his friends have campaigned for a new trial on the ground that he was unjustly convicted. The case is being re-considered, but is rendered rather obscure on some points by deaths of numerous parties originally having knowledge of the circumstances.

So much, then, for duty-free bonds, which are rapidly disappearing from the list of outstanding Ontario issues.

Limits to Collections

There is a limit, of course, to the amount of "additional" succession duties that the Ontario treasury can collect. For instance, it is impossible to collect all the $30 to $50 millions of duties that are understood to have been overlooked in the past. In numerous cases, the money has been lost or has passed indirectly into the hands of innocent people from whom it is virtually impossible to collect. However, it is understood that there are some rather ancient nest eggs still to be uncovered and for some time the province's succession duty revenues will reflect the benefit.

A feature of succession duties that has been discussed but little in this country should be mentioned. It is the fact that such taxation amounts to levies on capital assets. Because of this, economic authorities have argued that succession duties ought not to be taken into ordinary revenue but should be applied, at least in part, to debt reduction. Even in Great Britain, however, this has not been done, but it is a subject that should eventually be considered.

Better Administration

Apart from the fact that there is a limit to the amount of duties to be collected on old estates, there is good reason to believe that better administration in the Ontario treasury can continue to keep ordinary succession duties at a higher level than in the past.

The example of a recent case illustrates the point. An estate had been submitted for valuation, and it was acknowledged that nearly $1 million would be the total estate duty. However, a senior official making the final check of assets found values that brought the duty up to nearly $2 millions. It was paid without question.

Perhaps it is best that the additional liability for duty was uncovered at the right time, because if it had not been revealed until a year or two later the result would have been an enormous penalty against the estate.

Treasury Reorganized

Success of the estates duty campaign is due largely to reorganization of the Ontario treasury under Premier Hepburn, who stated "with pardonable pride" in his budget address that he believed it to be the most efficient department of the government. He also pointed out that the treasury last year spent $146,000 more than its estimate but got in an extra $5 millions of revenue. Said he: "I think it would be difficult to find anyone who for a moment will say that that is not good business."

Mr. Hepburn has paid particular tribute to Chester Walters, controller of finances, and mentioned "other officials." The latter are important. J. Douglas Peck is controller of revenue. And an entirely separate investigating branch has been created under Kirby F. Hannan, who is one of the driving forces. W. C. Browning, in charge of succession duties administration, is a chartered accountant and has been one of the main cogs in the drive of the past year. Two other chartered accountants, D. G. Scott and L. E. Smith, have played important rôles as valuators.

Hiring of chartered accountants and actuaries is partly responsible for increased treasury expenses. It is claimed, however, that the results would warrant retention of the new hired help by whatever government may succeed the Hepburn forces. The appointments, it is said, are non-political.

Knowledge is Money

The question that is sure to puzzle most people is how estates were passed by the treasury in the past without proper valuations.

The only logical answer seems to be that knowledge of investments and corporation affairs was lacking in the responsible quarters. There is little or no evidence of wilful departmental negligence, or at least it has not been disclosed publicly.

In the succession duty drive, particular attention has been given to the intricate affairs of personal and family holding companies, so as to ensure appraisal of assets at as near to actual values as possible rather than at nominal or book values. It is in this type of work that the services of expert officials have been of greatest value to the treasury. In a single estate, export valuation uncovered as mentioned a cool million dollars of revenue that otherwise would not have been obtained.

Perhaps in time when strict administration is accepted as inevitable succession duty collections in Ontario will come to be regarded as unavoidable as the strict administration of the Income War Tax Act by Ottawa authorities.

Possibly the very novelty in the exhaustive scrutiny of estates by the treasury is shocking, like a plunge into a cold tub. Perhaps it won't seem so shocking when it becomes recognized as a normal procedure of the department.

Finally, there should be a ground for arbitration of some of the alleged nuisance claims such as those mentioned.

Will It Spread?

Not the least interesting aspect of the Ontario Succession duty campaign is the possibility that other provinces may find sooner or later that they too have been remiss in collecting their full dues. Perhaps it would pay other governments to hire expert investigators and reform treasury collection machinery.

Whatever may be the reflections on private and public honesty that arise from the strange story of succession duties in Ontario, the old adage seems to hold true: "Nothing is certain but death and taxes."

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Properly managed, the investment trust should provide for the ordinary investor the ideal means of diversifying his holdings so as to hedge against the peculiar risks of the next five years.

Unfortunately, numerous Canadian investment trusts have suffered from inferior management, and all have felt the blows of adversity in the depression.

Reasons for Esteem

There are numerous reasons, however, for holding investment trust securities in higher esteem than some investors do.

First, investment trust managers in many cases have learned bitter lessons from adversity.

Second, water injected into some trusts before the depression, either in their own capitalizations or into the securities they bought, has been squeezed out.

Third, investment trust shares can be bought at levels well below the actual market value of securities they hold, and consequently give higher yields than if the investor were to go into the market and buy the individual securities for himself.

Fourth, the fact remains that greater diversity can be obtained by purchasing investment trust shares with small capital than any other way of investment.

Disadvantage and Offset

Chief among disadvantages of putting funds into investment trust shares is the lack of marketability in many of these securities. Few of them are listed, and even those that are cannot be traded freely at all times. Some trusts' shares can be liquidated by sale to sponsors of the issues, but this is an uncertain market at best. Those that can be turned into cash by sale of underlying securities may have satisfactory liquidity when markets generally are firm.

The disadvantage of uncertain markets is offset by the substantial yields available, and this, of course, is a reflection of the low levels at which trust shares can be bought in comparison with the values of their holdings. In fact, investment trust securities offer one of the few fields where the small investor can get 5 per cent with comparative safety.

Experience and Results

Investment trusts are now old-established institutions in Great Britain. In Canada, however, the idea of investors pooling their interests by forming investing companies only became popular in the years immediately preceding the depression.

Also, some investment trusts formed in this country were apparently not intended to be purely independent institutions, but appear to have been formed partly with the idea of creating a market for somewhat sluggish securities of investment dealers.

As a result of these circumstances, both good and bad trusts ran into heavy weather, either because they had not had much chance to get their sea legs, or because they could be nothing but poor sailors. The unfavorable results in both low earnings and values have prejudiced many investors against investment trusts securities. To the buyer today, however, the situation is changed greatly, and offers attractive opportunities.

Having come through a great depression, some Canadian investment trusts can show results that compare fairly well with those of some of the British trusts formed just before the depression. Economic Investment Trust and Dominion-Scottish Investments are two of the more successful Canadian trusts of the management type.

Fixed Trusts

An important result of the bad showing of some investment trusts in the depression was the formation of fixed trusts, many of which are available to Canadian investors. By holding a fixed group of securities, they avoid the risks of management. Also, however, they have the disadvantage that circumstances may indicate the desirability of acquiring securities which cannot be permitted under the fixed trust agreement.

Fixed trusts frequently have the right to eliminate securities that they hold, but this may be of little value since it allows only one-half the benefits of good management. On the other hand, of course, the fixed trust avoids the feature of bad management by which poor securities may be acquired. One noteworthy feature of shares of fixed trusts is that they can be liquidated at the current market value of the portfolio of securities. Fixed trusts usually terminate in a set period of time and this may work out badly in some cases.

Grouping Trusts' Securities

There are numerous methods of grouping investment trusts and their securities. In this article the grouping is according to sponsorship. That is, trusts are treated as those sponsored and managed independently of security dealers; and those originating and connected with dealers. The reason for this is that management being all-important in investment trusts, the relationship to security dealers may have an important bearing on the freedom of the managers.

Another important consideration is the type of security of the various trusts. The average investor is interested in the more promising equity securities, rather than with bonds of investment trusts. He avoids the riskiest investment trust equities, even though these latter may offer profits in a period of economic recovery.

Independent Firms

Among the various securities of independent investment trusts, the following are important, and give varying yields with prospects of increased capital values:

Shares of Independent Trusts

	Price $	Div. $	Y'ld. %	Earn. $	Equity $
Can. Gen. Inv'ts. ...	8.00	.40	5.0	.46	10.55
Dom.-Scottish ..	34.00	1.75	5.1	*1.85	*43.00
Economic Inv. Tr. .	24.00	.87½	3.6	.97	35.16
Corporate Invest. ...	7.25	.20	2.8	†.21	7.25

*Estimate for year ended May 31, 1936.
†Estimate.

Canadian General Investments has only common shares, 600,589 of them, outstanding. Headed by Rt. Hon. Arthur Meighen, management is regarded as good. The foregoing figures depict briefly the character of the investment.

Dominion-Scottish, Economic

Dominion-Scottish Investments has 59,700 preferred and 60,000 common shares outstanding. They are usually traded in units of one preferred and one common. There is at present no equity for the common and earnings have been short of the full required dividend of $2.50 a share on the preferred. With recovery, however the break-up value of the preferred has risen above $40, and dividend payments have been increasing. Arrears of over $5 a share may eventually be met. The management is highly esteemed, and at current prices the yield, without banking on the future, has attraction.

Economic Investment Trust is under similar managership to Dominion-Scottish. It was formed earlier, however, and so got a better start. There is a bond issue of $949,500 and 39,925, common shares. There is no preferred outstanding. Dividends have been paid on the common throughout the depression and have recently been increased. Formerly $2.50 a share was paid annually on the common.

Corporate Investors is a younger and smaller trust than the other 3 independents mentioned. The shares are still being distributed to the public and so are only available at the approximate market value of the portfolio. The yield is therefore smaller than on the others. This trust will probably be expanded considerably, but lacks some of the speculative attractions of others in view of the higher comparative price for the shares.

Dealer Companies

Among the leading investment trust equities in companies originally sponsored, or still influenced, by security dealers are these:

Dealer-Sponsored Investment Firms

	Price $	Div. $	Y'ld. %	Earn. $	Equity $
*Inv. Found'n. .	52.00	2.50	4.8	2.61	72.96
Can. Inv'rs. Corp.	8.00	.40	5.0	.45	11.14
United Corps. A..	23.00	.75	3.3	1.09	72.07
*Can. Int. Inv. Tr. ..	60.00	....	...	3.28	95.80
Can. Inv. Fund ...	4.25	.14	3.3	.15	4.25

*Units of one preferred and one common.

Investment Foundation has 30,560 preferred and 70,000 common shares outstanding which can be bought—as quoted above—in units of one share of each. The full dividend on the preferred is $3 a share annually, and arrears are $5.75 a share. By purchasing a unit of one share of each, satisfactory income is obtainable and future increases in income and value are possibilities. This has been one of the more successful of dealer-sponsored trusts.

Canadian Investors Corp. has just 100,000 common shares outstanding It was formed by McLeod, Young, Weir & Co., and is one of the few trusts to publish its exact portfolio holdings. This shows a liberal holding of securities marketed by the dealer firm. Whether or not this is a handicap, earnings are recovering and there appears to be some possibility of eventual increases in dividend. The market for the shares is often dull.

Trusts With Bonds

United Corporations was formerly Consolidated Investment Corp. which was formed in 1929 and fell into disrepute because of sharp deterioration of its position. By reorganization and redemptions, bonds have been reduced to $4.5 millions of 5 per cent income bonds. Interest has been covered comfortably in the past year or two, and future growth of earnings will all go to the A shares until cumulative dividends of $1.50 a share annually are paid.

Canadian International Investment Trust has approximately $1.8 million of 5 per cent bonds ahead of 18,150 preferred shares. The long delay in resuming preferred dividends does not promise speedy payment of arrears. However, earnings have been shown on the preferred throughout the depression, and accumulation of earnings in strengthening the internal position. Meanwhile non-payment of dividends allows the buyer some evasion of income taxation, and payment of at least partial dividends can be expected sooner or later.

Canadian Investment Fund special shares are still being distributed to the public by Calvin Bullock, New York underwriter. Because they are in the distributive stage, shares are not available much below actual liquidating value of the securities in the portfolio. This trust was born at the bottom of the depression and has had a good start. It has concentrated its funds largely in common shares.

Many Canadian investment trusts don't give details of their actual holdings of securities, but most of them have written down the book values at which the holdings are carried.

As a general indication of investment policy, comparison of the types of securities held by these 9 companies is shown in the following:

Types of Investments Held

	Bonds, cash %	Preferred %	Common shares %
Can. Gen. Investm'ts.	20.6	34.2	45.2
Dominion-Scottish ..	12.9	25.4	61.7
Economic Invest. Tr.	12.9	32.8	54.3
Corporate Investors.	6.0	31.0	63.0
Invest. Foundation .	4.7	*	*95.3
Can. Investors Corp..	19.5	7.6	72.9
United Corporations	33.5	23.7	42.8
Can. Int. Investment	26.9	20.3	52.8
Can. Investm't Fund	1.2	5.5	93.3

*Amount in preferred not revealed, included with common.

For 6 of the above 9 companies, these holdings simply represent diversification behind the investment trust securities mentioned in this article. That is, there are no senior securities ahead of the common shares of Canadian General Investments, Corporate Investors, Canadian Investors Corp. and Canadian Investment Fund. Nor are there any securities senior to the preferred shares of Dominion-Scottish Investments, or Investment Foundation. Therefore, the division of the trusts' funds between bonds, preferred shares and common shares simply represents diversification behind the shares of the investment trusts themselves.

Leverage Factor

Three of these companies have bond issues outstanding, Economic Investment Trust, Canadian International Investment Trust, and United Corporations. This means that the bonds and preferred shares held in the portfolios of these three trusts are chiefly security for their own bonds. Consequently, the common shares held by these 3 trusts may be said roughly to constitute the equity for their own junior securities.

This brings us to "leverage." This technical term means that the outstanding bonds of investment trusts give a greater percentage fluctuation in value for their common shares. The value of securities in the trust's portfolio might rise, say, from 125 to 150 per cent of the amount of the trust's outstanding bonds. In such event the equity for the trust's own shares would have increased from 25 to 50, or double, on an increase of only 20 per cent in the total value of the portfolio.

In a period of economic recovery, leverage may have the effect of increasing the value of the trust's junior shares much more rapidly than the value of senior securities like bonds and preferred shares.

The securities mentioned in this article constitute a medium group between the fixed type of securities like bonds, and between the riskiest investment trust equities. A greater gamble in recovery can be taken by investors who are willing to assume risks. This can be done in investment trusts by purchasing common shares of those with preferred issues and bonds outstanding.

For instance, it is possible to buy the common shares of Canadian International Investment Trust at a very low figure. There is no equity at all behind these shares, and there are no earnings on the common. However, if the trust's earnings were to rise sharply, it would be possible for the value of the risky common shares to multiply in value, but this would not be possible for the preferred shares. By buying a unit of one preferred and one common share, however, the investor gets a more balanced risk. There is sufficient leverage on Economic Investment Trust common and United Corporation's A to give them speculative as well as investment attractions.

Hedging Risks

In buying the shares mentioned of the other 6 companies, the small investor can get diversity, but no leverage on value or dividends. The 6 non-leverage investments mentioned, however, do give the investor a chance to share in economic recovery without subjecting him to undue risks.

Even in buying investment trust shares, the investor who is looking far ahead may do well to diversify by going into two or three of the investment trusts, other than putting his funds all into one company's shares. The risk can be increased, if desired, by buying some of the lowest price investment trust equity shares, like United Corporation's B, or common shares of Canadian International or Investment Foundation.

Considering the hedge in investment trusts against war, inflation, and the possibilities of recovery in the next five years, the small investor can hardly afford to overlook investment trust shares.

PRESIDENT

T. W. SMITH, manager of the patent department of Canadian Industries Ltd., who was elected president of the Canadian Chemical Association at the annual convention held at Niagara Falls.

C. P. R. Ship Subsidiary Will Build if Given Aid

From Our Own Correspondent

MONTREAL.—Two fast passenger ships will be built by the Canadian Australasian Line to compete with the American-owned Matson Line in the Pacific Coast-Antipodes service, provided government support is forthcoming, according to Sir Edward Beatty, chairman and president of the Canadian Pacific Railway.

Sir Edward has sailed for England where he will confer with shipping officials on the question of subsidies for the Canadian Australasian Line and the composition of the government's assistance to the American service, which is said to be threatening British shipping on the Pacific.

Canadian Australasian Line, of which Canadian Pacific owns 50 per cent, is the sole remaining British link between the Pacific Coast and the Antipodes. It runs between Vancouver, New Zealand and Australia. The Union Steamship Co. of New Zealand, which ran a service between San Francisco and Australasia, is quitting the route.

During the London conference, the question of support for the Canadian Australasian Line will be discussed. England, Canada, Australia, New Zealand and Fiji are involved in the matter.

Trust and Loan Co. Bill Passes Committee

MONTREAL.—Trust and Loan Co. of Canada's bill authorizing a division of its share capital in the ordinary and preference stock, has been passed by the House of Commons committee on banking and commerce.

Owing to economic conditions in Canada, it was explained in the bill, and consequent provincial legislation, it has not been possible for large sums lent on mortgage to be repaid when due. Consequently the time came when the liquid resources of the company were no longer adequate to meet debentures and it became necessary to call up part of the uncalled capital.

C. S. L. Opens Season For Passenger Service

MONTREAL.—Canada Steamship Lines has officially inaugurated the St. Lawrence passenger service. Practically all cruises are in operation. Still to open is the Toronto-Prescott-Montreal service.

Demand for Pulp

Owing to demands of foreign countries, the abundance of raw material and motive power, production of pulp in Quebec increased drastically up to 1929 when it totalled 2,174,805 tons. In the next three years there were successive decreases; but since then production has steadily advanced.

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